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THE RAIDERS TRANSACTION**
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- ~~1.~~ Master Agreement
 - ~~2.~~ Operating License
 - ~~3.~~ Loan Agreement
 - ~~4.~~ Stadium Capital Improvement License
and Construction Coordination Agreement
-
- ~~5.~~ Marketing Strategy by Sportscorp, Inc.
 - ~~6.~~ Review of Marketing Plan by Economic
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 - ~~7.~~ Marketing Survey: East Bay Area Interest
in the Return of the Raiders
 - ~~8.~~ Oakland Coliseum - Raiders Impact Analysis
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 - ~~9.~~ Local Economic Impact Activity Generated by
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 - ~~10.~~ Memo, From City Manager of Oakland to City Council
Sept. 26, 1989
 - ~~11.~~ Memo, From the City Manager of Oakland to City Council,
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OFFICE OF THE
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DRAFT

MASTER AGREEMENT

among

THE CITY OF OAKLAND,

THE COUNTY OF ALAMEDA,

THE OAKLAND-ALAMEDA COUNTY COLISEUM,

and

THE LOS ANGELES RAIDERS

_____, 1990

100-10000

REPORT OF THE

COMMISSION

ON THE

PROGRESS OF THE

WORK OF THE

AND

THE

1900

MASTER AGREEMENT

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MASTER AGREEMENT

ARTICLE 1. RECITALS

1.1 Parties. This agreement (the "Master Agreement") is entered into among the City of Oakland, a municipal corporation and a charter city duly organized and existing under the laws and Constitution of the State of California ("City"), the County of Alameda, a political subdivision of the State of California ("County"), the Oakland-Alameda County Coliseum, Inc., a California non-profit corporation ("Coliseum"), and the Los Angeles Raiders, a California limited partnership ("Raiders").

1.2 East Bay Entities. City, County, and Coliseum each have certain rights and obligations with respect to the OACC Complex. City, County, Coliseum, Oakland-Alameda County Coliseum Financing Corporation, a California nonprofit corporation ("Financing"), together with such other entity or entities as they may form to carry out their obligations under the Agreements, are individually and collectively referred to herein as "East Bay Entities." Coliseum is the manager and operator of the OACC Complex and, subject to the terms of the Agreements, Coliseum or its successor will continue to be the day-to-day operator and manager of any additional improvements to the OACC Complex.

1.3 Relocation. East Bay Entities recognize that having Raiders' play its Football Events at the OACC Stadium will provide, among other things, great economic, social and psychological benefits to the community. Raiders, an NFL franchisee, currently plays football in Los Angeles, and desires to return to Oakland.

1.4 Purposes. The purpose of this Master Agreement is to establish the terms and conditions agreed to by the parties to provide that, subject to the terms and

conditions contained in the Agreements, Raiders will play Football Events for a minimum of fifteen (15) consecutive Football Seasons at the OACC Stadium commencing with the first Full Guarantee Season. In furtherance of the above-stated purpose, the Agreements prescribe: (a) the financial arrangements among the parties for the purposes of development, design and construction of additional improvements to the OACC Stadium and certain other facilities; (b) plans for the development, design and construction of such improvements; (c) the principal terms and conditions for the operation of Raiders' franchise at the OACC Complex; (d) the terms upon which Viewing Rights to Football Events may be offered for sale; and (e) the method by which the parties will resolve issues not otherwise resolved in the Agreements.

1.5 Consideration. In consideration of the mutual representations, warranties, covenants and undertakings expressed herein and in the Related Agreements, the parties have entered into this Master Agreement.

1.6 Definitions. Unless the context or terms of this Master Agreement clearly indicate otherwise, the definitions contained in Exhibit A of this Master Agreement shall govern its interpretation and such definitions are hereby incorporated by reference.

ARTICLE 2. CERTAIN AGREEMENTS

2.1 Operating License. Simultaneously with the execution of this Master Agreement, Raiders and Coliseum shall execute the Operating License attached hereto as Exhibit B (the "Operating License").

2.2 Commencement of Football Events. Subject to the terms and conditions of the Agreements, Raiders agrees to play its Football Events at the OACC Stadium commencing

no later than the 1992 Football Season. Subject to the terms and conditions of the Agreements, Raiders shall have the option to commence playing its Football Events at the OACC Stadium in the 1990 Football Season or the 1991 Football Season.

2.3 Standstill. For as long as Raiders is not entitled to terminate this Master Agreement pursuant to the terms hereof, during the period from the execution of this Master Agreement to the Commencement Date or the date of termination of this Master Agreement pursuant to the terms hereof, Raiders will not, directly or indirectly, solicit, encourage or respond to any offer from any person other than East Bay Entities to provide a site for Raiders to play any Football Events that Raiders is required by the terms of the Agreements to play at the OACC Stadium and will not renew, extend, exercise any option under any existing agreement or enter into any agreement, discussions, negotiations, and, unless otherwise required by law, provide any information or exchange any correspondence with any person other than East Bay Entities (other than correspondence informing any third party of the execution of the Agreements and Raiders' obligations under this provision and otherwise under the Agreements) with respect to any unsolicited proposal it receives in that regard. Notwithstanding anything in this Section 2.3 to the contrary, in the event that litigation shall be commenced that seeks to enjoin Raiders from commencing play at the OACC Stadium, Raiders shall have the right to enter into agreements, discussions or negotiations relating to any site at which Raiders shall play Football Events during any period in which Raiders has been so enjoined from commencing play at the OACC Stadium, provided, however, that such right shall in no way derogate the obligation of the Raiders to resist any such prohibition in accordance with the terms of Section 2.4(a) hereof.

2.4 Litigation, etc.

(a) If an injunction or other binding order of a court or governmental agency prohibits Raiders from complying with the terms hereof or of any of the other Agreements, Raiders will use its best efforts to resist and not accede to the entry of, and to have such injunction, order or prohibition dissolved or terminated, and commence playing Football Events at the OACC Stadium as soon thereafter as Raiders is relieved from the effect of such injunction or order. East Bay Entities will fully cooperate with Raiders to assist Raiders in resisting and seeking the dissolution or termination of such injunction, order or prohibition.

(b) If an injunction or other binding order of a court or governmental agency prohibits East Bay Entities from complying with the terms hereof or of any of the other Agreements, East Bay Entities will use their best efforts to resist and not accede to the entry of, and to have such injunction, order or prohibition dissolved or terminated. Raiders will fully cooperate with East Bay Entities to assist East Bay Entities in resisting and seeking the dissolution or termination of such injunction, order or prohibition.

(c) Notwithstanding any provision of this Section 2.4 to the contrary, each of East Bay Entities and Raiders shall bear their own costs and expenses associated with any actions of such party required by this Section 2.4.

2.5 Further Assurances. The parties hereto hereby agree to cooperate with each other, to exercise good faith in concluding the transactions which are contemplated by the Agreements, and to execute and deliver such further documents, agreements and instruments as may be required to carry out the agreements and intentions expressed therein.

2.6 Other Licensees. The parties hereto recognize that the continuing relationship among East Bay Entities, Raiders, Athletics and Warriors may require modifications to the terms of the agreements pursuant to which Raiders and such other licensees use the OACC Complex, and East Bay Entities agree that the result of any such modification with Athletics, Warriors or any other licensee shall not be a derogation of any of the rights of Raiders with regard to the OACC Complex.

2.7 Season Guarantees.

(a) The 1990 Football Season shall be a Full Guarantee Season if Raiders notifies East Bay Entities in writing by March 1, 1990, that Raiders intends to play its Football Events in the OACC Stadium for the 1990 Football Season; provided, that the 1990 Football Season shall be a Full Guarantee Season only if no injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1990 Football Season is in effect on or after June 1, 1990. The 1990 Football Season shall be a Partial Guarantee Season if Raiders notifies East Bay Entities in writing after March 1, 1990, but prior to July 1, 1990, that Raiders intends to play their Football Events for the 1990 Football Season in the OACC Stadium, provided no injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1990 Football Season is in effect on or after June 1, 1990. The 1990 Football Season shall be a No Guarantee Season if (i) Raiders notifies East Bay Entities in writing on or after July 1, 1990, that Raiders intends to play their Football Events for the 1990 Football Season in the OACC Stadium, or (ii) an injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1990 Football Season is in effect on or after June 1, 1990.

(b) The 1991 Football Season shall be a Full Guarantee Season if Raiders plays its Football Events for the 1990 Football Season at the OACC Stadium or if Raiders notifies East Bay Entities in writing by May __, 1991, that Raiders intends to play its Football Events for the 1991 Football Season at the OACC Stadium; provided, that, in the case of such notice, the 1991 Football Season shall be a Full Guarantee Season only if no injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1991 Football Season is in effect on or after June 1, 1991. The 1991 Football Season shall be a Partial Guarantee Season if Raiders notifies East Bay Entities in writing after May 1, 1991, but prior to July 1, 1991, that Raiders intends to play its Football Events for the 1991 Football Season in the OACC Stadium, provided no injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1991 Football Season is in effect on or after June 1, 1991. The 1991 Football Season shall be a No Guarantee Season if (i) Raiders notifies East Bay Entities in writing on or after July 1, 1991, that Raiders intends to play its Football Events for the 1991 Football Season in the OACC Stadium, or (ii) an injunction or order of court which bars Raiders from relocating to the OACC Stadium for the 1991 Football Season is in effect on or after June 1, 1991.

(c) The 1992 Football Season (or any subsequent Football Season) shall be a Full Guarantee Season if Raiders has played its Football Events for the immediately preceding Football Season at the OACC Stadium or if Raiders notifies East Bay Entities in writing by March 1 of the year in which the Football Season commences that Raiders intends to play its Football Events for such Football Season at the OACC Stadium. Notwithstanding the foregoing, if Raiders has not played its Football Events for the immediately preceding Football Season at the OACC

Stadium, the 1992 Football Season (or any subsequent Football Season) shall be a Full Guarantee Season only if no injunction or order of court which bars Raiders from relocating to the OACC Stadium for such Football Season is in effect on or after June 1 of the year during which such Football Season commences. The 1992 Football Season (and any subsequent Football Season) shall be a No Guarantee Season if Raiders has not played its Football Events for the immediately preceding Football Season at the OACC Stadium and either (i) Raiders do not notify East Bay Entities in writing by March 1 of the year in which the Football Season commences that Raiders intends to play its Football Events for such Football Season at the OACC Stadium or (ii) such notice is given by March 1, but an injunction or order of court which bars Raiders from relocating to the OACC Stadium for such Football Season is in effect on or after June 1 of such year.

ARTICLE 3. FINANCING

3.1 Loans to Raiders. Simultaneously with the execution of this Master Agreement, Raiders and Financing shall execute the Loan Agreement attached hereto as Exhibit C (the "Loan Agreement"). Raiders shall repay the loan advances upon the terms and conditions set forth in the Loan Agreement.

3.2 Operations Loan Advances. On the terms and conditions of the Loan Agreement, Financing will provide the following Operations Loan to Raiders:

(a) An initial advance of \$20,000,000, identified as item one (1) on Exhibit D, to Raiders on the date of execution of this Master Agreement and the Loan Agreement, the receipt of which is hereby acknowledged by Raiders. This initial loan advance is being made as part of

the consideration to Raiders for its execution of the Agreements and for the termination of existing negotiations for relocation to other sites for the 1992 Football Season.

(b) Subsequent advances, identified as items two (2) through twelve (12) on Exhibit D shall be advanced to Raiders on the terms and conditions of the Loan Agreement in the amounts and on the dates set forth on Exhibit D, unless prior to such date (1) East Bay Entities have been enjoined by the explicit terms of an order of a court of competent jurisdiction or prohibited by the explicit terms of valid legislation from making any of such advances to Raiders, or (2) Raiders has been enjoined by the explicit terms of an order of a court of competent jurisdiction from playing Football Events at the OACC Stadium and such order is premised on an alleged obligation of Raiders to play its Football Events at a location other than the OACC Stadium during the 1992 Football Season or thereafter. In either case, in accordance with the terms of the Loan Agreement, such advance(s) will be made, together with all interest payable on such amounts as provided in Section 2.8(A) of the Loan Agreement, upon the later of the date set forth in Exhibit D for such advance or the date of the final determination that such prohibition is not legally valid and binding or legally enforceable. Further, notwithstanding anything to the contrary in this Section 3.2 or in the Loan Agreement, no such advance shall be made after termination of this Master Agreement.

3.3 Construction Loan Advances.

(a) On the terms and conditions of the Loan Agreement, Financing shall make loan advances to Raiders for construction of the Stadium Capital Improvements ("Construction Loan Advances") during, and in some cases after, the course of construction of such facilities and for the purchase and construction of modifications to certain

existing Executive Suites at the OACC Stadium. The maximum amount of such Construction Loan Advances is set forth as item thirteen (13) on Exhibit D. If the Costs of Construction of the Executive Suites to be constructed by Raiders as part of the Stadium Capital Improvements (the "Executive Suite Project") are less than the maximum loan advance available for such purpose under the Loan Agreement, then the amount of such difference shall be disbursed to Raiders as an early disbursement of the Operations Loan, and the scheduled advances available to Raiders under the Operations Loan shall be reduced by a corresponding amount, in reverse chronological order, beginning with the last scheduled advance. Pursuant to the terms of Section 2.9 of the Loan Agreement, if the commencement of construction and development of the OACC Project or the Executive Suite Project is delayed solely as the result of the failure of East Bay Entities to comply in any material respect with their obligations under any of the Agreements, including, without limitation, obligations (i) under Section 4.1 of the OACC Stadium Agreement, or (ii) to disburse the loans for the OACC Project in accordance with Section 2.5 of the Loan Agreement, the maximum amount of Construction Loan Advances available under the Loan Agreement shall be increased by a percentage equal to the increase, if any, in the Construction Cost Index between the date upon which such obligations have been met and the the date upon which such obligations were required to have been satisfied. Any increase in the maximum amount of advances available under the Loan Agreement described in the preceding sentence shall not limit any other rights and remedies of Raiders.

(b) On the terms and conditions of the Loan Agreement, Financing shall make Construction Loan Advances to Raiders for construction of the Permanent Training Facility during the course of construction of such facility.

The maximum amount of such advances is set forth as item fourteen (14) on Exhibit D. If the Costs of Construction of the Permanent Training Facility are less than the maximum loan advance available for such purpose under the Loan Agreement, Raiders shall be permitted to draw the remaining funds available for the Permanent Training Facility upon completion of the Permanent Training Facility, without reduction in the amounts available under the Operations Loan; provided, however, that Raiders hereby agrees that any remaining amounts so disbursed shall be used by Raiders exclusively for (i) any Costs of Construction of the Stadium Capital Improvements in excess of the amount of the OACC Project Loan, (ii) any capital expenditures for the improvement of the Permanent Training Facility, the Stadium Capital Improvements, the Raider Room, or the Exclusive Area, (iii) any costs associated with the temporary training facility constructed at the Temporary Training Site pursuant to Section 7.1(b) hereof, or (iv) any combination of the foregoing.

3.4 Modernization Fund. Following a period of ten (10) Football Seasons commencing with the first (1st) Full Guarantee Season, East Bay Entities shall make available a fund (the "Modernization Fund") in the amount of \$10,000,000, to be used to fund projects ("Modernization Projects") for modernization, modification, renovation and improvement of the OACC Stadium. Raiders shall provide reasonable notice to East Bay Entities of any proposed Modernization Project, which notice shall include a description of the costs of the project, the time required for completion, and the times and amounts of requested disbursements from the Modernization Fund. East Bay Entities shall make disbursements within a reasonable time of such request for any Modernization Project that (a) relates solely to the Exclusive Area, Raiders' locker

room, or the visiting football team's locker room, or (b) does not significantly alter the character of the OACC Stadium such that it would significantly interfere with the use of the OACC Stadium by the Athletics, or (c) has been approved by the Athletics; provided, however, that no disbursements need be made for any Modernization Project that would adversely affect the portable seating used for the amphitheater configuration of the OACC Stadium. Title to any improvements constructed with the proceeds of the Modernization Fund shall vest in East Bay Entities. The parties agree to use their best efforts to coordinate the construction and completion of Modernization Projects in accordance with the provisions of this Section.

3.5 Proceeds from Stadium Name. Section 10.2(a) of this Master Agreement and item fifteen (15) of Exhibit D describe the terms and conditions on which East Bay Entities will make additional loan advances to Raiders from the proceeds associated with the right to select the name of the OACC Stadium.

ARTICLE 4. STADIUM CAPITAL IMPROVEMENTS

4.1 OACC Stadium Agreement. Simultaneously with the execution of this Master Agreement, East Bay Entities and Raiders shall enter into the OACC Stadium Agreement in the form of Exhibit E hereto.

ARTICLE 5. MARKETING OF VIEWING RIGHTS

5.1 Marketing Strategy.

(a) East Bay Entities have developed a plan for marketing Viewing Rights for Football Events (the "Marketing Strategy"), and Raiders and East Bay Entities have agreed herein with respect to the sharing of revenues from the sale or licensing of Viewing Rights. Attached

hereto as Exhibit F is a summary of the categories of Viewing Rights, the anticipated number of seats in each category (following completion of the Stadium Capital Improvements), and the initial price East Bay Entities intends to charge for each category. Attached hereto as Exhibit G is a summary of the revenue sharing agreements between Raiders and East Bay Entities contained herein.

(b) East Bay Entities intends to sell Viewing Rights pursuant to the Marketing Strategy. Subject to the terms of the Agreements, Raiders have agreed to sell tickets for Football Events to East Bay Entities. East Bay Entities acknowledge that such agreement of Raiders shall not limit any right of Raiders to terminate this Master Agreement in accordance with the terms hereof. It is understood and agreed that, except as provided herein, without the consent of Raiders, including, but not limited to, consent as to the terms of any cancellation clause, East Bay Entities shall not sell, license, or offer to sell or license Viewing Rights which apply to any Football Season for which East Bay Entities have not, prior to the time of the sale, become irrevocably bound to perform in accordance with the provisions of Article 6 hereof. East Bay Entities shall make all Viewing Rights available for purchase through distribution channels normally used to sell tickets to sporting events at the OACC Complex.

(c) East Bay Entities shall have the right to sell or license Viewing Rights for the following Football Seasons:

(i) For any Football Season to which Article 6 of this Master Agreement applies; and

(ii) For any Football Season which is a Partial Guarantee Season or a No Guarantee Season.

(d) During any Football Season to which Section 5.1(c) hereof applies, East Bay Entities shall have

the right to establish prices for all categories of Viewing Rights, subject only to the limitations contained in this Section 5.1(d):

(i) East Bay Entities shall not increase the Standard Admission Price (as hereinafter defined) except as provided in Section 6.2 of this Master Agreement;

(ii) Except as provided in subparagraph (v) hereof, without the consent of Raiders, East Bay Entities shall not increase the price or prices of any category of seating described in Section 6.5 or 6.7 hereof ("Premium Seats") unless the aggregate revenue gain from such increase (based upon the prices and seat count shown on Exhibit F and adjusted for any increases pursuant to subparagraph (v) hereof), is offset by an aggregate revenue decrease in the price charged for other categories of Premium Seats so that there is no change in the aggregate projected revenue from the marketing of Premium Seats;

(iii) Except as provided in subparagraph (v) hereof, without the consent of Raiders, East Bay Entities shall not increase the price of any category of Future Rights (described in Section 6.6 hereof) unless the revenue gain from such increase (based upon the prices and seat count shown on Exhibit F and adjusted for any increases pursuant to subparagraph (v) hereof) is offset by a decrease in the price charged for other categories of Future Rights so that there is no change in the aggregate projected revenue from the marketing of Future Rights;

(iv) East Bay Entities will limit any percentage increase in the price charged for Club Memberships (described in Section 6.4 hereof) to a percentage equal to the percentage increase in the Club Membership Guarantee established by Raiders pursuant to Section 6.4(c) hereof; and

(v) For any Football Season after the first Football Season, East Bay Entities may increase the premium charged for any category of Premium Seats and the amount charged for Future Rights by five percent (5%), compounded annually, over the price shown for such category on Exhibit F.

(e) For each Football Season to which Section 5.1(c) hereof applies, the parties agree to cooperate in a public relations campaign designed effectively to promote Raiders' team generally on a level engaged in by other franchisees in other NFL areas. Raiders shall assist in the preparation of material for public relations. However, East Bay Entities shall be solely responsible for their sale or licensing of Viewing Rights and their public relations campaign, including, but not limited to, all costs and expenses associated therewith. Raiders agree to provide East Bay Entities with all rights held by Raiders (including under any contract or agreement with the NFL or NFL Properties, Inc.) to use the logos, trademarks and related license material of the NFL, NFL Properties, Inc., and Raiders in the marketing of Viewing Rights by East Bay Entities, and East Bay Entities shall be entitled to use such materials without any payment other than may be imposed by the NFL or NFL Properties, Inc.; provided, however, that East Bay Entities shall not use any such logos, trademarks or related license material in a manner that would be reasonably expected to embarrass Raiders.

(f) It is understood and agreed that in no event will East Bay Entities require the personal time, attention, participation or involvement of Allen Davis, nor will his name or likeness be utilized in any way, without his prior approval, which approval may be withheld without cause.

5.2 Securities Laws and Indemnification.

(a) East Bay Entities covenant to conduct the Marketing Strategy in accordance with the applicable registration requirements of state and federal securities laws or in a manner such that Viewing Rights shall not constitute "securities" as defined under such laws. From time to time as and when requested to do so by Raiders, East Bay Entities will cause to be delivered to Raiders an opinion of independent counsel of East Bay Entities' choosing reasonably satisfactory to Raiders to the effect that such Viewing Rights do not constitute securities, or in the event that such opinion is not available, an opinion to the effect that any offer, sale or distribution thereof has been made in accordance with the applicable registration requirements of state and federal securities laws. If at any time after such request such opinion cannot be delivered, East Bay Entities will take such steps as are required to enable their counsel to provide either of such opinions.

(b) The Marketing Strategy and each and every element thereof is the responsibility of East Bay Entities, which jointly and severally agree to indemnify, to the full extent permitted by law, Raiders, its partners, officers, employees and agents, and the officers, employees, agents and directors thereof against all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation and legal expenses) arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any disclosure document delivered in compliance with applicable securities law or any amendment thereof or supplement thereto in connection with the marketing, offer, sale or licensing of Viewing Rights by East Bay Entities or any omission or alleged omission to state therein a material fact required to be stated therein

or necessary to make the statements therein (in the case of a prospectus (as defined under applicable securities laws), in light of the circumstances under which they were made, not misleading, except insofar as the same are arising out of or based upon or contained in any information furnished in writing to the East Bay Entities by Raiders expressly for use therein, (ii) any violations or alleged violations by East Bay Entities of any laws including, but not limited to, securities laws, in connection with the offer or sale of Viewing Rights by East Bay Entities, or (iii) any other claim or causes of action arising from the marketing, offer, sale or licensing of Viewing Rights by East Bay Entities.

(c) Any person entitled to indemnification or contribution hereunder shall give prompt written notice to East Bay Entities of any claim with respect to which such person may be entitled to indemnity or contribution hereunder stating the nature and basis of the claim and the amount thereof, to the extent known, and, unless in the reasonable judgment of such indemnified party a conflict of interest may exist between such indemnified party and the indemnifying party with respect to such claim, permit the indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to such indemnified party. Should the indemnifying party assume the defense of any such claim, the indemnifying party shall not be responsible for the legal fees and expenses of counsel independently retained by an indemnified party after the indemnifying party's assumption of such defense and the indemnifying party may affect any settlement of such claim without the consent of the indemnified party if the indemnifying party has paid, or made adequate provision for the payment of, the full amount of such settlement at the time thereof. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to

pay the fees and expenses of more than one counsel with respect to such claims, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel or counsels. The indemnifying party will not be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld or delayed. The failure of any indemnified party to provide the notice required by this Section 5.2(c) shall not constitute a waiver of any right of indemnification hereunder except to the extent such failure prejudices an indemnifying party's right to defend such claim.

(d) If the indemnification provided for in this Section 5.2 in respect of any losses, claims, damages, liabilities or expenses referred to therein is prohibited by law, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses in such proportion that East Bay Entities shall pay ninety-nine percent (99%) of such amount and Raiders shall pay one percent (1%) of such amount. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in this Section, any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

(e) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.2 were determined by pro rata allocation or by any

other method of allocation which does not take account of the provisions of Section 5.2(d) hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933, as amended) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) If indemnification under this Section 5.2 is not prohibited by law, the indemnifying parties shall indemnify each indemnified party to the fullest extent provided in this Section 5.2 without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 5.2.

(g) The rights of Raiders under this Section 5.2 shall be in addition to, and shall not be exclusive of, any other rights provided under the Agreements and any other rights or remedies at law or in equity which may accrue to Raiders.

ARTICLE 6. REVENUE SHARING

6.1 Football Seasons Applicable.

(a) The provisions of this Article 6 shall apply commencing with the first Football Season which is a Full Guarantee Season and for the following Football Seasons:

(i) initially, for five (5) Football Seasons;

(ii) (A) thereafter, for the sixth (6th) through tenth (10th) Football Seasons, if

(1) East Bay Entities give written notice of their intent to have the provisions of this Article 6 apply to such Football Seasons on or prior to the ninetieth (90th) day after the conclusion of the World

Championship Game for the fourth (4th) Football Season after the commencement of the applicability of this Article 6, and, in any event, on or prior to May 1 following such fourth (4th) Football Season (the "Option Date"), or

(2) construction of the Stadium Capital Improvements has not commenced by the Option Date either because (I) East Bay Entities have failed to provide the Approvals for the Stadium Capital Improvements by a date permitting construction to commence prior to the Option Date, (II) East Bay Entities have failed to make available construction funds required under the Loan Agreement by a date permitting construction to commence prior to the Option Date, or (III) East Bay Entities have otherwise failed to perform their obligations under the Agreements;

(B) if Section 6.1(a)(ii)(A) does not apply, then this Article 6 shall apply separately for each of the sixth (6th) through tenth (10th) Football Seasons after the commencement of the applicability of this Article 6 only with respect to any seating the construction of which has not been Substantially Completed by the May 1 immediately prior to the commencement of such Football Season arising from a failure by East Bay Entities to perform its obligations under this Master Agreement or the Related Agreements;

(iii) thereafter, for the eleventh (11th) through the fifteenth (15th) Football Seasons after the commencement of the applicability of this Article 6, provided (A) this Article 6 has applied to the sixth (6th) through tenth (10th) Football Seasons because East Bay Entities gave the notice required by Section 6.1(a)(ii)(A)(1), and (B) East Bay Entities give written notice of their intention to have the provisions of this Article 6 apply to such eleventh (11th) through fifteenth (15th) Football Seasons to Raiders on or prior to

the ninetieth (90th) day after the conclusion of the Super Bowl Game for the ninth (9th) Football Season after the commencement of the applicability of this Article 6, and in any event, on or prior to May 1 following such ninth (9th) Football Season; and

(iv) thereafter, for each Football Season to the end of the license term under the Operating License, provided (A) this Article 6 has applied to all prior Football Seasons because East Bay Entities gave the notices required by Sections 6.1(a)(ii)(A)(1) and 6.1(a)(iii), and (B) East Bay Entities give written notice of their intention to have the provisions of this Article 6 apply to Raiders (with respect to the next Football Season only) on or prior to the January 2nd of the year in which the following Football Season commences.

(b) If East Bay Entities do not give each of the notices provided for in Sections 6.1(a)(ii)(A)(1), 6.1(a)(iii) and 6.1(a)(iv) by the times specified therein, following the first such omission, subject to the provisions of Section 6.1(d), Raiders will have the sole right to market, license and sell tickets, Club Memberships and Executive Suite sublicenses, as well as all rights of any kind relating, directly or indirectly, to the attendance by spectators at Football Events at the OACC Stadium, and receive all revenues therefrom. In any event, the right of East Bay Entities to market tickets, Club Memberships and Executive Suite sublicenses shall terminate upon the termination of the Operating License.

(c) It is understood and agreed that the right of East Bay Entities to give the notices provided for in Section 6.1 is conditioned upon and subordinate to the right of Raiders to terminate the Agreements.

(d) Without the written consent of Raiders, East Bay Entities shall not sell or license Club

Memberships, Future Rights or the right to purchase such Viewing Rights beyond the period during which this Article 6 necessarily applies at the time of the sale of such rights; provided, however, that East Bay Entities shall be entitled without such consent to sell Future Rights and receive deposits with regard to Club Memberships for up to the first ten (10) Football Seasons to which this Article 6 applies. If East Bay Entities sell Future Rights and/or sell or license Club Memberships for a period extending beyond the fifth (5th) Football Season to which this Article 6 applies, then East Bay Entities shall retain the right to market such Future Rights and Club Memberships for such ten (10) Football Seasons regardless of whether East Bay Entities have elected to have the provisions of this Article 6 apply to such Football Seasons pursuant to Section 6.1(a)(ii)(A)(1) hereof. East Bay Entities shall pay Raiders for all the tickets for seats with access to the Stadium Club and for sixteen thousand (16,000) seats available for sale pursuant to such Future Rights. East Bay Entities shall sell such tickets at the price established by Raiders as the Standard Admission Price for such Football Season. East Bay Entities shall pay Raiders for such tickets by June 30 prior to such Football Season an amount equal to the lesser of the Standard Admission Price for the Football Season or the amount which would have been the Guaranteed Ticket Price for the Football Season had (i) East Bay Entities elected to have the provisions of Article 6 apply to such Football Season and (ii) Raiders elected to increase the Guaranteed Ticket Price for such Football Season by the maximum permitted by Section 6.2(d) hereof. In addition, East Bay Entities shall pay Raiders the Club Membership Guarantee for each Football Season and shall share Excess Club Membership Revenue for each such Football Season as if the provisions of Section 6.4 hereof applied to

such Football Season (including the provisions regarding the time of payment, the provisions granting Raiders the right to increase the Club Membership Guarantee, and the provisions granting East Bay Entities the right to make similar percentage increases in the price of Club Memberships as provided by Section 5.1(d)(iv) hereof). The provisions of Sections 6.8 through Section 6.12 hereof shall apply to East Bay Entities' rights and obligations under this Section 6.1(d).

6.2 Revenue from Ticket Sales.

(a) East Bay Entities shall buy from Raiders and Raiders shall sell to East Bay Entities all of the tickets for Available seats for Football Events in each Football Season to which this Article 6 applies, except (i) Raiders shall transfer to East Bay Entities without charge tickets for Football Events to be used by licensees or other users of Executive Suites, and (ii) Raiders reserves for its own use including, but not limited to, for any visiting teams, six thousand five hundred (6,500) tickets without charge for each Football Event in the locations indicated on Exhibit H hereto. East Bay Entities shall have the right to resell any tickets acquired from Raiders at a price to be determined by East Bay Entities in accordance with the provisions of this Master Agreement (the "Standard Admission Price"). Raiders shall have the right, but not the obligation, to return to East Bay Entities any tickets reserved under this Section 6.2(a) and the provisions of this Article 6 shall apply to such returned tickets except that East Bay Entities shall be obligated to pay the Guaranteed Ticket Price only with respect to such returned tickets that are actually sold.

(b) For each Football Season to which Section 5.1(c) hereof applies, East Bay Entities agrees to set aside for sale at the Standard Admission Price, without

additional premium, at least (i) twenty-two percent (22%) of the Available seats during the period prior to Substantial Completion of the Stadium Capital Improvements, and (ii) forty percent (40%) of the Available seats during the period after Substantial Completion of the Stadium Capital Improvements. Seats reserved by Raiders pursuant to Section 6.2(a) hereof for its own use shall be included for purposes of this Section 6.2(b) as seats set aside for sale at the Standard Admission Price.

(c) East Bay Entities agree that the Standard Admission Price for the 1990 Football Season shall be \$30.00. For each Football Season after the 1990 Football Season, if Raiders exercises its right to increase the Guaranteed Ticket Price provided in Section 6.2(d), East Bay Entities shall have the right to increase the Standard Admission Price by an amount of up to two times the dollar amount of the Raiders' increase. If for any Football Season East Bay Entities do not exercise their right to the fullest extent permitted hereunder, the unused amount of permitted increase shall not carry over to subsequent Football Seasons. However, if in any year East Bay Entities shall reduce the Standard Admission Price, East Bay Entities shall be entitled to increase the Standard Admission Price in any subsequent Football Season by the amount of such reduction, without regard to any increase by Raiders of the Guaranteed Ticket Price and in addition to any increase permitted by the second sentence of this Section 6.2(c).

(d) For any Football Season to which this Article 6 shall apply, East Bay Entities shall pay to Raiders a guaranteed amount per ticket purchased (the "Guaranteed Ticket Price") per Football Event. For the 1990 Football Season, the Guaranteed Ticket Price shall be \$30.00. For each Football Season after the 1990 Football Season, Raiders shall have the right to increase the

Guaranteed Ticket Price by up to five percent (5%) of the Guaranteed Ticket Price for the prior Football Season. The right of Raiders to increase the Guaranteed Ticket Price does not depend upon Raiders having played its Football Events at the OACC Stadium during the prior Football Season. For purposes of illustration, if Raiders exercises its option to increase the Guaranteed Ticket Price for the 1991 and 1992 Football Seasons to the fullest extent, the Guaranteed Ticket Price for the 1991 and 1992 Football Seasons would be \$31.50 and \$33.08, respectively.

(e) If the Standard Admission Price charged by East Bay Entities for any Football Event exceeds the Guaranteed Ticket Price for such Football Event by five percent (5%) or less (such excess of the Standard Admission Price over the Guaranteed Ticket Price of five percent (5%) or less is referred to herein as the "Stadium Increase"), no additional amount shall be paid by East Bay Entities to Raiders for such tickets.

(f) If the Standard Admission Price charged by East Bay Entities for any Football Event exceeds the Guaranteed Ticket Price for such Football Event by more than five percent (5%) (the excess over five percent (5%) is referred to herein as the "Excess Stadium Increase"), East Bay Entities shall pay to Raiders fifty percent (50%) of the Excess Stadium Increase. By way of illustration, if the Guaranteed Ticket Price for a Football Event is \$40.00, and the Standard Admission Price is \$50.00, \$2.00 would be the Stadium Increase and \$8.00 would be the Excess Stadium Increase.

(g) Raiders shall pay sums, if any, required to be paid to visiting teams as a result of the purchase of tickets by East Bay Entities at the Guaranteed Ticket Price. East Bay Entities shall pay to Raiders sums, if any, required to be paid to visiting teams as a result of any

Stadium Increase. East Bay Entities shall pay to Raiders fifty percent (50%) of sums, if any, required to be paid by Raiders to visiting teams as a result of any Excess Stadium Increase.

(h) East Bay Entities shall pay any amounts required to be paid to Raiders under this Section 6.2 with respect to season tickets or individual game tickets sold by East Bay Entities prior to June 30 of each year, by such date. Any additional amounts payable to Raiders by East Bay Entities for sales after June 30 shall be paid by East Bay Entities to Raiders by the earlier of thirty (30) days of receipt by East Bay Entities and the first banking day following the Football Event for which such revenues were received. Payments for unsold tickets to a Football Event shall be made on the first banking day following the Football Event.

6.3 Revenue from Executive Suite Licenses.

(a) The OACC Stadium currently includes thirty-five (35) Executive Suites available for licensing for Football Events and, upon completion of certain construction and renovation currently underway, the OACC Stadium will include thirty-nine (39) Executive Suites available for licensing for Football Events. Sixty-three (63) additional Executive Suites will be constructed as part of the Stadium Capital Improvements. Upon completion of the Stadium Capital Improvements the parties hereto anticipate that there will be a total of one hundred two (102) Executive Suites available for licensing for Football Events.

(b) Four (4) of the existing Executive Suites, in locations indicated on Exhibit H hereto, shall be reserved for East Bay Entities for Football Events without obligation for payment of rent or license fees. Five (5) of the existing Executive Suites, in locations indicated on

Exhibit H hereto, shall be reserved for Raiders for Football Events without obligation for payment of rent or license fees. Upon completion of the additional Executive Suites to be constructed as part of the Stadium Capital Improvements, an additional six (6) Executive Suites shall be reserved for Raiders for Football Events on the same terms as provided above for the five (5) Executive Suites. If Raiders licenses the use of its Executive Suites to third parties for a fee (payable in cash or in kind) for any period to which this Article 6 applies, Raiders agrees that it will charge rent or license fees commensurate with the rent or license fees then being charged by East Bay Entities for similarly located Executive Suites, provided, that Raiders may license its Executive Suites for a lesser amount or at no charge to persons with a prior personal relationship or significant business relationship with Raiders. The locations of East Bay Entities' four (4) Executive Suites and Raiders eleven (11) Executive Suites on completion of the additional Executive Suites are shown on Exhibit H hereto. Except as provided in Section 6.3(c), Raiders shall have no right to the use or enjoyment of any Executive Suites at any time other than for Football Events. East Bay Entities and Raiders each shall be entitled to receive and retain any revenues from the licensing of Executive Suites reserved to them pursuant to this Section 6.3(b) without obligation to share such revenue with the other, provided, that East Bay Entities shall remit to Raiders for payment sums required to be paid, if any, to visiting teams with respect to East Bay Entities' reserved Executive Suites.

(c) Raiders shall have the right to occupy for personal use and not for resale two (2) of its reserved Executive Suites (in locations to be agreed by East Bay Entities and Raiders and subject to the rights of the

Athletics) for all events at the OACC Stadium, including baseball. At its option, Raiders shall either (i) pay ticket charges with respect to such events (other than Football Events) at prices charged to other persons occupying Executive Suites for such events, or (ii) arrange for a mutually agreeable exchange of rights with the Athletics.

(d) East Bay Entities shall have the exclusive right to license the Executive Suites for all events at the OACC Stadium, including Football Events, in each season to which Section 5.1(c) hereof applies, subject to (i) any obligations of East Bay Entities under agreements with licensees of the OACC Stadium other than Raiders and (ii) the rights of Raiders to the reserved Executive Suites described in Sections 6.3(b) and 6.3(c). East Bay Entities shall have the right to set the license fee for Executive Suites and to receive all revenue from the licensing of Executive Suites (other than Executive Suites reserved to Raiders as provided in Section 6.3(b)), including any deposits received on Executive Suite licenses and any interest earned thereon.

(e) For each Football Season to which this Article 6 applies, East Bay Entities shall pay to Raiders an annual payment (the "Executive Suite Guarantee") equal to the Available Executive Suites multiplied by the guaranteed amount per Executive Suite as hereinafter set forth (the "Executive Suite Guarantee Price"). Available Executive Suites shall not include Executive Suites reserved to East Bay Entities or Raiders pursuant to Section 6.3(b). Payment of the Executive Suite Guarantee shall be made by June 30 for the following Football Season. For the first Football Season to which this Article 6 applies and for the four (4) immediately succeeding Football Seasons, the Executive Suite Guarantee Price shall be \$45,000. By way of illustration,

if the first Football Season to which this Article 6 applies is 1990, the Executive Suite Guarantee Price for the 1990 through 1994 Football Seasons will be \$45,000; if the first Football Season to which this Article 6 applies is 1992, the Executive Suite Guarantee Price for the 1992 through 1996 Football Seasons will be \$45,000. For each Football Season after the first five (5) Football Seasons to which this Article 6 applies, Raiders shall have the right to increase the Executive Suite Guarantee Price by five percent (5%) over the Executive Suite Guarantee Price for the preceding Football Season. By way of illustration, if the first Football Season to which this Article 6 applies is 1990, Raiders will have the right to increase the Executive Suite Guarantee Price for the 1995 Football Season to \$47,250, and for the 1996 Football Season to \$49,613.

(f) For each Football Season to which this Article 6 applies, Raiders shall make payments, if any, due to visiting teams from revenues from the licensing of Executive Suites to the extent such revenues are less than or equal to the Executive Suite Guarantee paid to Raiders by East Bay Entities. East Bay Entities shall remit to Raiders for payment any and all payments, if any, due to visiting teams from revenues from the licensing of Executive Suites to the extent such revenues exceed the Executive Suite Guarantee paid to Raiders.

(g) The existing baseball press boxes are not included within the count of the Executive Suites and East Bay Entities do not presently intend to license the press boxes as Executive Suites for Football Events. If East Bay Entities use the press boxes for Football Events on a non-revenue producing basis (either to seat guests or sponsors of East Bay Entities or for charitable or community service purposes), they shall provide equal access to Raiders for such non-revenue use. If at any time during the period

during which this Article 6 applies East Bay Entities determine to license such boxes as Executive Suites, Raiders and East Bay Entities shall first negotiate in good faith and mutually agree upon the terms under which such boxes shall be included in the Executive Suite Guarantee. In addition, if at any time during the period during which this Article 6 applies, East Bay Entities realize any revenue from the use of the press boxes for Football Events other than through licensing such boxes as Executive Suites, East Bay Entities shall pay to Raiders amounts, if any, required to be paid to visiting teams from such revenue, plus fifty percent (50%) of the net revenue after deduction of such amounts. Such amounts shall be paid by East Bay Entities on the June 30 following receipt of such amounts by East Bay Entities. Any additional amounts payable to Raiders by East Bay Entities for sales after June 30 shall be paid by East Bay Entities to Raiders by the earlier of thirty (30) days of receipt by East Bay Entities and the first banking day following the Football Event for which such revenues were received. During any period in which the existing baseball press boxes are not being licensed as described in this Section 6.3(g), such press boxes may be used during any Football Event, upon ten (10) days advance notice by Raiders, for overflow seating for members of the press, and neither East Bay Entities nor Raiders shall have any right to seat guests or sponsors in such press boxes during such Football Event. If the press boxes are converted to revenue use and a need for overflow press seating arises, East Bay Entities will provide reasonable overflow press seating.

6.4 Revenue from Club Membership Licenses.

(a) This Section 6.4 deals with the sharing of revenue received by East Bay Entities from the licensing of rights to use the special lounge and concession facilities to be constructed as part of the Stadium Capital

Improvements on the mezzanine level of the OACC Stadium (the "Stadium Club") for Football Events in conjunction with the purchase of tickets for certain seats on the mezzanine level of the OACC Stadium on a seasonal or per game basis in each Football Season to which this Article 6 applies. This Section 6.4 applies only to the sharing of revenue received by East Bay Entities from the licensing of such rights and seats at a price in excess of the Standard Admission Price for such seats.

(b) Upon completion of the Stadium Capital Improvements, East Bay Entities shall designate a minimum of six thousand (6,000) seats on the mezzanine level as seats to be licensed in conjunction with the licensing of Stadium Club rights on a seasonal or per game basis ("Club Memberships"). No seats shall be so designated for a Football Season prior to the completion of the Stadium Club, and any premium charged for such seats prior to completion of the Stadium Club shall be a Location Premium subject to the provisions of Section 6.5 hereof. East Bay Entities shall have the exclusive right to license the Club Memberships for Football Events for the Football Seasons to which Section 5.1(c) hereof applies, and for all other events, subject to any obligations of East Bay Entities under agreements with licensees of the OACC Stadium other than Raiders. Subject to the provisions of this Master Agreement, East Bay Entities shall have the right to set the license fee for Club Memberships. East Bay Entities shall have the right to collect and retain any deposits on Club Memberships and any interest earned thereon.

(c) For each Football Season to which this Article 6 applies after the completion of the Stadium Club and for which Club Memberships are licensed (or would have been licensed but for the failure to complete the Stadium Club for reasons which would cause such seating to be

considered "Available" for purposes of the Agreements), East Bay Entities shall pay to Raiders an annual payment (the "Club Membership Guarantee") equal to three million six hundred thousand dollars (\$3,600,000). After the first Football Season to which the Club Membership Guarantee applies, Raiders shall have the right to increase the Club Membership Guarantee by five percent (5%) over the amount of the Club Membership Guarantee for the previous Football Season. By way of illustration, if the first Football Season to which the Club Seat Guarantee applies is the 1992 Football Season, Raiders would have the right to increase the Club Seat Guarantee for the 1993 Football Season to three million seven hundred eighty thousand dollars (\$3,780,000), and, if it elected to so increase the Club Seat Guarantee for the 1993 Football Season, it would have the right to increase the Club Seat Guarantee for the 1994 Football Season to three million nine hundred sixty-nine thousand dollars (\$3,969,000). Raiders shall make payments, if any, required to be paid to visiting teams due from revenues from the licensing of Club Memberships to the extent such revenues are less than or equal to the Club Membership Guarantee paid by East Bay Entities to Raiders.

(d) If in any Football Season to which this Article 6 applies East Bay Entities receive revenue from the licensing of Club Memberships in excess of the Club Membership Guarantee paid with respect to such Football Season ("Excess Club Membership Revenue"), East Bay Entities shall pay to Raiders amounts, if any, required to be paid to visiting teams from such Excess Club Membership Revenue, plus fifty percent (50%) of the net Excess Club Membership Revenue, after deduction of such amounts. Revenue from the licensing of Club Memberships does not include deposits on Club Memberships, or interest on such deposits.

(e) The Club Membership Guarantee, and Raiders' share of the Excess Club Membership Revenue received by East Bay Entities shall be paid by East Bay Entities to Raiders on or before June 30 of such year. Any additional amounts of Excess Club Membership Revenue payable to Raiders shall be paid by East Bay Entities to Raiders by the earlier of thirty (30) days of receipt by East Bay Entities and the first banking day following the Football Event for which such revenues were received.

6.5 Revenue from Location Premiums.

(a) In each Football Season to which Section 5.1(c) hereof applies, East Bay Entities shall have the exclusive right to charge an additional annual license fee in addition to the Standard Admission Price to licensees of selected seats for Football Events ("Location Premium"). The term "Location Premium" does not include amounts charged for Club Memberships, or Future Rights (as hereinafter defined). The Location Premium charged by East Bay Entities may be for a term of one year or longer, and may include a right of first refusal in the licensee to renew the license at market rates, provided that no rights shall be granted which extend beyond the period to which this Article 6 applies at the time of the grant without the express written consent of Raiders. Subject to the provisions of this Master Agreement, East Bay Entities shall have the sole right to establish the amount of the Location Premium.

(b) If in any Football Season to which this Article 6 applies, East Bay Entities earn revenue from Location Premiums, East Bay Entities shall pay to Raiders amounts, if any, required to be paid to visiting teams from such revenue, plus fifty percent (50%) of the net revenue after deduction of such amounts. Revenue from Location Premiums does not include deposits on Location Premiums or any interest on such deposits. Amounts payable to Raiders

with respect to Location Premiums shall be paid by East Bay Entities to Raiders on the June 30 following receipt of such amounts by East Bay Entities. Any additional amounts payable to Raiders by East Bay Entities for sales after June 30 shall be paid by East Bay Entities to Raiders by the earlier of thirty (30) days of receipt by East Bay Entities and the first banking day following the Football Event for which such revenues were received.

6.6 Revenue from Future Rights.

East Bay Entities intends to designate certain preferred seating areas (not to exceed 16,000 seats) in the OACC Stadium as "Loge Seats" (in various categories of "Club Loge" and "Field Loge") and to offer to the public for a one-time fee options to purchase tickets related to these seats at regular ticket prices for all events which are open to the public at the OACC Stadium, except for Athletics' games, for a long-term period of five (5) years or more. Options to purchase tickets for Club Loge or Field Loge seats are referred to herein as "Future Rights." Purchase of a Future Right shall be a condition precedent to the purchase of Loge Seats for Football Events. Purchasers of Future Rights shall have the option to purchase tickets for their seats for Football Events for the period to which Section 5.1(c) hereof applies at the Standard Admission Price. East Bay Entities may also charge an annual service charge to holders of Future Rights of up to one hundred dollars (\$100), and may increase such annual fee at a rate not in excess of five percent (5%) per year, computed cumulatively. Raiders shall have no right to receive any income from or have any call on the revenues generated by the sale of Future Rights or from the annual service charges, other than the right to receive revenue from the sale of tickets for Football Events at the Standard Admission Price as provided in Section 6.2 hereof.

6.7 Revenues from Residual Loge Premiums.

(a) In each Football Season to which Section 5.1(c) hereof applies, East Bay Entities shall have the exclusive right to license Club Loge and Field Loge seats which are not subject to licenses of Future Rights on a Football Season or game-by-game basis for Football Events at a fee in addition to the Standard Admission Price ("Residual Loge Fee"). Subject to the provisions of this Master Agreement, East Bay Entities shall have the exclusive right to establish the amount of any Residual Loge Fee.

(b) If in any Football Season to which Article 6 applies, East Bay Entities earn revenue from Residual Loge Fees, East Bay Entities shall pay to Raiders amounts, if any, required to be paid to visiting teams from such revenue, plus fifty percent (50%) of the net revenue after deduction of such amounts. Revenue from Residual Loge Fees does not include deposits on Residual Loge Fees or any interest on such deposits.

(c) East Bay Entities shall pay any amounts required to be paid to Raiders under this Section 6.7 with respect to season tickets or individual game tickets sold by East Bay Entities prior to June 30 of each year, by such date. Any additional amounts payable to Raiders by East Bay Entities for sales after June 30 shall be paid by East Bay Entities to Raiders by the earlier of thirty (30) days of receipt by East Bay Entities and the first banking day following the Football Event for which such revenues were received.

(d) Subject to the provisions of this Master Agreement, at any time during the term of the Operating License, East Bay Entities may in their sole discretion sell Future Rights for seats in the sections allocated to Future Rights seating and retain all revenues from the sale or licensing of such Future Rights, even though such action by

East Bay Entities would have the effect of terminating Residual Loge Fee payments and, thus, any revenue payable to Raiders with respect to Residual Loge Fees for such seats.

6.8 Indemnification. If it shall be determined that any visiting team is entitled to any additional payment with regard to the sale of any category of Viewing Rights and such payment has not been made by Raiders, Raiders shall indemnify and hold harmless East Bay Entities from any claim to such revenues from visiting teams or any other person or entity as to any and all amounts East Bay Entities has previously paid to Raiders for payment to such visiting team. East Bay Entities and Raiders shall be responsible for any other additional amounts due to visiting teams in proportion to their respective share of the revenue from the related category of Viewing Rights, as such shares are described in this Article 6. For purposes of illustration, if a Location Premium is sold by East Bay Entities at a price of \$100 and it is assumed that the visiting team is entitled to 20% of such revenue, pursuant to Section 6.5 hereof, East Bay Entities would pay \$60 to Raiders, \$20 of which would be paid by Raiders to the visiting team. If it were then determined that the visiting team was entitled to 34% of the revenue from the sale of the Location Premium, such that the revenue would be allocated \$34 to the visiting team and \$33 to each of Raiders and East Bay Entities, East Bay Entities would be required to pay to Raiders an additional \$7.

6.9 Players' Strike. If in any Football Season to which this Article 6 applies there is a players' strike or work stoppage, or if there is a lockout declared by the NFL in anticipation of such a strike, affecting players under contract with Raiders, East Bay Entities' obligation to purchase tickets and to pay guaranteed amounts under this Article 6 shall be adjusted so that East Bay Entities do not

bear the burden of their obligation to make payments under this Article 6 with respect to unsold seats for any Football Event played during the term of such strike or lockout, or cancelled by virtue of such strike or lockout. It is understood and agreed that any such strike or lockout shall affect only the foregoing purchase and payment obligations and shall not affect any of the other terms and conditions of this Master Agreement or the Related Agreements, including, but not limited to the right of Raiders to receive money for Viewing Rights sold or licensed and not refunded by East Bay Entities for Football Events played during such strike or lockout.

6.10 Force Majeure. Except to the extent provided in Section 6.9, in the event that any Football Events during the period to which this Article 6 applies are cancelled or not played at the OACC Stadium as a result of an event of Force Majeure, including during any period in which Football Events are played in another stadium pursuant to Section 16.1 or 16.3 of the Operating License ("Cancelled Events"), East Bay Entities shall not be obligated to make payments under this Article 6 for such Football Events. Raiders and East Bay Entities shall determine by mutual agreement (taking into account the goodwill of Raiders), the manner and extent of credits or refunds to be made to the purchasers of Viewing Rights for such Cancelled Events. Raiders will promptly refund to East Bay Entities upon request therefor all amounts paid by East Bay Entities to Raiders with respect to any Cancelled Events; provided, however, that Raiders shall not be obligated to refund any amount unless the purchasers of Viewing Rights for such Cancelled Events will receive a credit or refund for such amounts. If any Cancelled Event shall be played at a stadium other than the OACC Stadium, Raiders shall be solely responsible for any and all costs, including rental of such

stadium, associated with such event, and East Bay Entities shall have no right under the Agreements to receive any revenue for such event.

6.11 Change in Local Television Rules. Raiders acknowledges and agrees that the purchase by East Bay Entities of tickets for Available seats as provided in Section 6.2(a) hereof shall not constitute a sellout for the purposes of the local area television rules of the NFL presently applicable to the broadcast of Football Events. Notwithstanding any provision to the contrary in this Article 6, in the event that such local area television rules are abolished or otherwise revised in any manner that could have a material effect on the marketing of Viewing Rights, and such abolition or revision results from a challenge initiated or in any way materially and significantly supported by Raiders' management (other than any vote by Raiders as a member of the NFL), or if Raiders intentionally permit the broadcast of Football Events in violation of such rules, then the provisions of this Article 6 shall not apply to any Football Season or any part of any Football Season during the period in which such abolition, revision or intentional broadcast is effective, and such Football Season or any part thereof shall be considered a No Guarantee Season. Nothing contained in Section 5.1(c)(ii) hereof or this Section 6.11 shall be construed to grant to East Bay Entities the right to market Viewing Rights for a Football Season as to which Article 6 would not have applied in the absence of this Section 6.11. Thus, for example, if the challenge to local television rules occurs during a Football Season in which Raiders have the sole right to market, license and sell tickets, Club Memberships and Executive Suite sublicenses pursuant to Section 6.1(b) hereof, neither Section 5.1(c)(ii) nor this Section 6.11 shall be construed to grant to East Bay

Entities the right to market Viewing Rights for such Football Season. Nothing contained in this Section 6.11 shall constitute a representation or warranty by Raiders as to the legality or continuing effectiveness of such local area television rules.

6.12 Taxes. In the event that any sales, admission, excise or other tax is hereafter imposed on the licensing, sale or use of Viewing Rights, the following adjustments shall be made with respect to prices permitted to be charged and revenues to be shared:

(a) Any federal tax imposed shall not constitute revenue from the sale of Viewing Rights. If such federal tax is included in the calculation of the amount, if any, payable to the visiting teams, Raiders shall absorb the cost of such included amount.

(b) Any state tax imposed shall not constitute revenue from the sale of Viewing Rights, unless such state tax is imposed at the request of East Bay Entities and is targeted at the sale of Viewing Rights. If such state tax is included in the calculation of the amount payable to visiting teams, East Bay Entities shall, at the request of Raiders, increase the amount payable to Raiders to cover any additional amount payable to the visiting teams, and East Bay Entities shall have the right, notwithstanding any provision of Article 5 to the contrary, to increase prices charged for Viewing Rights to recover revenue lost as a result of such increased payment.

(c) Any local tax imposed (and any state tax imposed at the request of East Bay Entities and targeted at the sale of Viewing Rights) shall constitute revenue from the sale of Viewing Rights.

ARTICLE 7. TRAINING FACILITY AND HALL OF FAME

7.1 Training Facility.

(a) East Bay Entities will apply for and obtain on or before May 1, 1991, in the name of Raiders at no cost to Raiders, the Approvals for the Permanent Training Facility at the Primary Training Site. Raiders shall cooperate fully with East Bay Entities in the processing of the Approvals and shall make reasonably available a representative of Raiders to assist in such processing and to attend any public and/or private meetings with East Bay Entities or applicable government agencies or their staff, as and when required; provided, however, that Raiders shall not be responsible for any of East Bay Entities' costs associated with such processing.

(b) East Bay Entities shall grant to Raiders, at no cost to Raiders, a license to construct the Permanent Training Facility and to use the Training Site for the term of the Operating License (the "Training Facility License"), as soon as the Approvals for the Permanent Training Facility at the Training Site are obtained. If Raiders elects to play Football Events at the OACC Stadium for a Football Season prior to the 1992 Football Season, and the Approvals for the Permanent Training Facility at the Training Site have not been obtained, upon written request by Raiders to East Bay Entities, East Bay Entities, within 60 days from the date such request is received, shall execute a license to Raiders for the Temporary Training Site, at no cost to Raiders, to occupy the Temporary Training Site and to construct a temporary training facility, to be constructed and operated at Raiders' expense.

(c) If East Bay Entities do not obtain the Approvals for the Permanent Training Facility at the Primary Training Site by May 1, 1991, East Bay Entities shall by

such date, at their option, either (i) provide the Training Facility License for the Alternate Training Site and obtain the Approvals in the name of Raiders at no cost to Raiders for Raiders to construct the Permanent Training Facility at the Alternate Training Site; or (ii) assume responsibility for the delay costs of Raiders in delaying construction of the Permanent Training Facility at the Primary Training Site until the Approvals for the Permanent Training Facility at the Primary Training Site are obtained, provided that if such Approvals are not obtained prior to November 1, 1991, East Bay Entities shall, on or before such date, provide the Training Facility License for the Alternate Training Site and obtain the Approvals for Raiders to construct the Permanent Training Facility at the Alternate Training Site. Thereafter, Raiders shall move to the Permanent Training Facility at the Primary Training Site or the Alternate Training Site, as the case may be, as soon as reasonably possible following construction of the Permanent Training Facility. Raiders shall be responsible for all costs of ownership, construction, operation, maintenance and repair of the Permanent Training Facility and the Primary Training Site or the Alternate Training Site, as the case may be, except that East Bay Entities shall pay any tax imposed on the right of Raiders to own or occupy the Permanent Training Facility, the Primary Training Site or the Alternate Training Site.

(d) East Bay Entities will provide all necessary road access to the Primary Training Site or the Alternate Training Site, as the case may be, and utilities stubbed at least one foot inside the building site for construction of the Permanent Training Facility.

(e) Upon termination of this Master Agreement pursuant to the terms hereof or upon termination of the Operating License, all rights of Raiders to the Permanent

Training Facility and the Training Site (or, if applicable, the Temporary Training Site) shall terminate automatically and vest in the party entitled thereto without further action by any party. Raiders shall execute all documents necessary or desirable to evidence such transfer of rights to the party entitled thereto. Upon termination of this Master Agreement pursuant to the terms hereof, Raiders shall assign to East Bay Entities and East Bay Entities shall accept the assignment of and shall assume full responsibility for all of Raiders' rights, prospective obligations, and permitted obligations previously incurred for which loan advances have not been made by East Bay Entities, under all contracts for the design and construction of the Permanent Training Facility.

7.2 Hall of Fame.

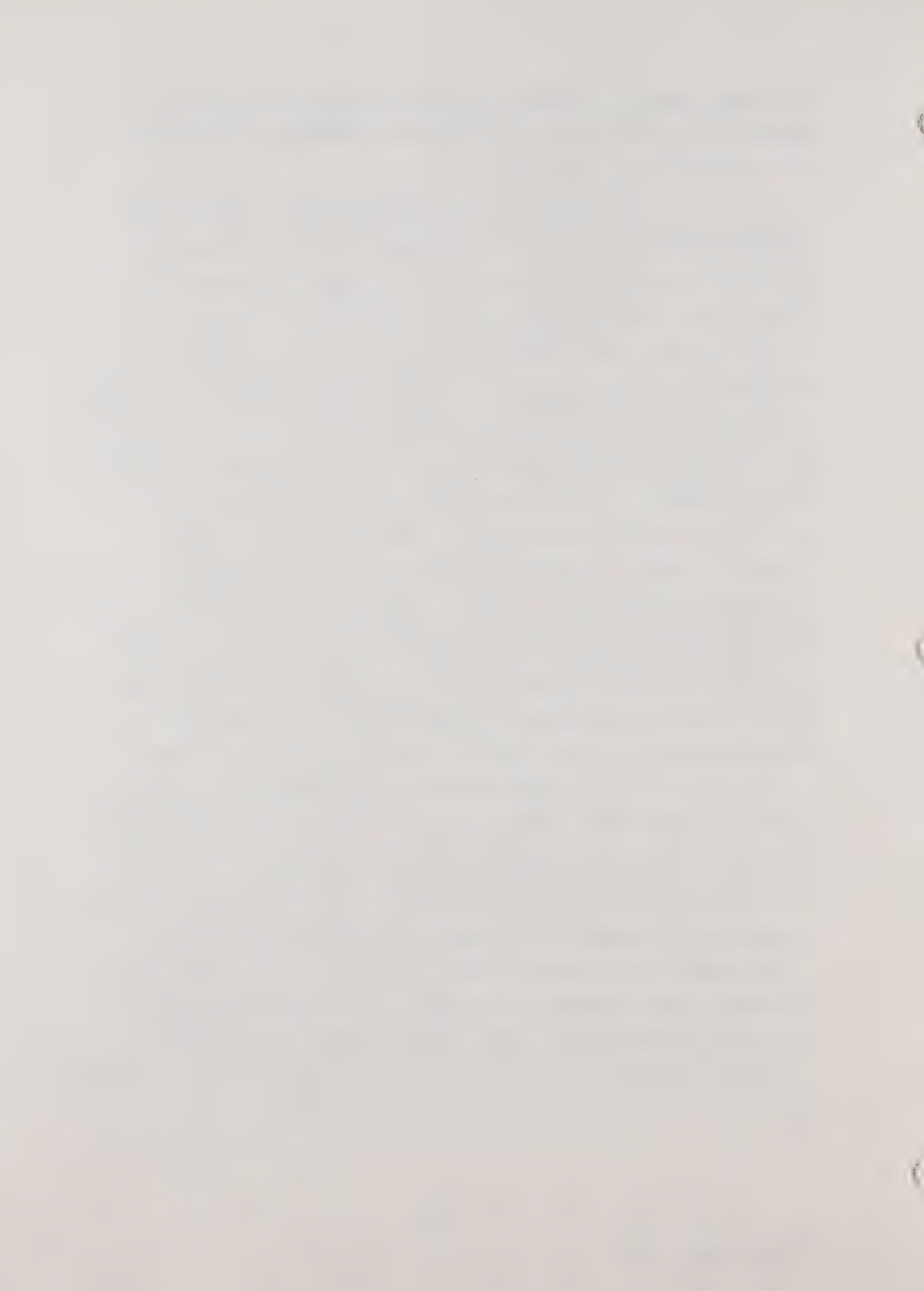
(a) East Bay Entities will apply for and obtain on or before _____, in the name of Raiders at no cost to Raiders, the Approvals for the Hall of Fame. Raiders shall cooperate fully with East Bay Entities in the processing of the Approvals and shall make reasonably available a representative of Raiders to assist in such processing and to attend any public and/or private meetings with East Bay Entities or applicable government agencies or their staff, as and when required; provided, however, that Raiders shall not be responsible for any of East Bay Entities's costs associated with such processing.

(b) East Bay Entities will execute a license to construct the Hall of Fame and to use the Hall of Fame site (the "Hall of Fame License"), at no cost to Raiders, as soon as the Approvals for the Hall of Fame are obtained. The lease or license shall have a term of not less than thirty (30) years. Upon expiration of the Hall of Fame License, ownership of the Hall of Fame and the right to use and occupy the Hall of Fame site shall vest automatically in

East Bay Entities without further action by any party. Raiders shall execute all documents necessary or desirable to evidence such transfer.

(c) The Hall of Fame site shall consist of approximately two (2) acres located at the flood control site at the OACC Complex identified on the map attached as Exhibit I hereto unless East Bay Entities are unable to obtain the approvals specified in Section 7.2(a) for such location after reasonable efforts to do so, in which case the Hall of Fame site shall be located either in the parking area of the OACC Complex or, if East Bay Entities are unable to obtain the approvals specified in Section 7.2(a) for the Hall of Fame in the parking area after reasonable efforts to do so, then at a site acceptable to Raiders within one (1) mile of the OACC Complex; such site will be at least five (5) acres in size, including areas to be used for parking, and shall be visible from the Nimitz Freeway. East Bay Entities will provide (i) pedestrian access to the site, including a pedestrian overpass, if necessary; (ii) all permits for the construction of necessary road access and (iii) utilities stubbed at least one foot inside the building site for the construction of the Hall of Fame.

(d) Raiders shall be responsible for all costs of ownership, construction, operation, maintenance and repair of the Hall of Fame facility and site, except that East Bay Entities shall pay any taxes imposed on the right of Raiders to own or occupy the Hall of Fame or the Hall of Fame site. Raiders will commence construction within twenty-four (24) months after the later of (i) the first Football Event played by Raiders at the OACC Stadium, and (ii) the provision of the Approvals, and will complete construction within a reasonable period thereafter. Raiders shall design and control the Hall of Fame.



(e) Raiders shall discuss terms and conditions for the affiliation of the Athletics and the Warriors in the Hall of Fame. Any agreement which may be entered into for this purpose shall be on terms wholly acceptable to Raiders in its sole discretion; provided, however, Raiders shall not under any circumstance be obligated to enter into such an agreement. The Athletics and the Warriors are not intended to be third party beneficiaries of this Section 7.2.

(f) At all times that Raiders owns and operates the Hall of Fame, Raiders shall be entitled to receive and retain all revenues generated from the operation of the Hall of Fame, including, but not limited to fees for admission, receipts from the sale of merchandise, food and beverages, advertising, promotional considerations, sponsorship and co-sponsorship revenues, and participation contributions by third parties.

(g) If, prior to the expiration of the Hall of Fame License, this Master Agreement terminates for any reason, East Bay Entities shall have the option to purchase the Hall of Fame facility and the license of the property upon which the Hall of Fame facility is constructed for the sum of \$5,000,000, payable in cash. Notwithstanding the foregoing, the Hall of Fame License shall terminate automatically upon the termination of this Master Agreement pursuant to Section 8.1(d)(iii), Section 8.1(d)(iv) or Section 8.1(d)(v) hereof, and ownership of the Hall of Fame, in its condition or state of construction as of the date of such termination, and the right to use and occupy the Hall of Fame site, shall vest automatically in East Bay Entities without any payment or any further action by any party. Raiders shall execute all documents necessary or desirable to evidence such transfer. Raiders shall assign to East Bay Entities and East Bay Entities shall accept the assignment

of and shall assume full responsibility for all of Raiders' rights, prospective obligations, and permitted obligations previously incurred for which loan advances have not been made by East Bay Entities, under all contracts for the design and construction of the Hall of Fame.

ARTICLE 8. TERMINATION

8.1 Right to Terminate.

(a) Limitation on Rights to Terminate or Rescind. This Article 8 establishes the rights of East Bay Entities on the one hand, and Raiders on the other, to terminate or rescind any of the Agreements. Except as provided in this Article 8, neither East Bay Entities nor Raiders shall have the right to rescind or terminate any of the Agreements, it being the intention of the parties hereto that except as so provided herein, the parties shall be limited to damages or equitable relief in the event of a breach of any obligation under any of the Agreements by the other party or parties hereto and any and all other rights to terminate or rescind are hereby irrevocably waived. In those circumstances in which this Article 8 provides either East Bay Entities or Raiders the right to terminate or rescind the Agreements, the party claiming breach may elect to forego the right to terminate or rescind the Agreements and in lieu thereof to sue for legal or equitable relief other than termination or rescission, in which case the party claiming breach shall not be required to submit the matter to arbitration. Further, except as provided in this Article 8 with respect to a party's right to terminate or rescind hereunder or as specifically provided in the Related Agreements, no party hereto has anywhere in the Agreements waived or agreed to forego any remedies available at law or

in equity, and except as so provided, resort to all such remedies shall continue to be available to the parties hereto.

(b) Pretermination Alternative Dispute Resolution. In the event that either East Bay Entities or Raiders desires to terminate this Master Agreement in circumstances requiring that the dispute be first submitted to arbitration, the party desiring to terminate shall give written notice to the other party of its intent to submit the issue to arbitration pursuant to this Article 8. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a panel of three neutral arbitrators selected from the panels of arbitrators of the American Arbitration Association. The parties shall each bear one-half of the costs and expenses of the arbitration, excluding their own costs and expenses, which each party shall bear itself. The decision of the arbitration tribunal shall be binding and conclusive (subject to confirmation pursuant to California Code of Civil Procedure Section 1285 et seq.) for purposes of applying the provisions of this Article 8 and shall not be subject to appeal, but unless the parties stipulate in writing to the contrary, such decision shall not be binding or conclusive in any subsequent proceeding which may be maintained by a party for damages or equitable relief. As used in this Master Agreement, "Pretermination Alternative Dispute Resolution" shall mean the proceeding described in this Section 8.1(b).

(c) Termination by Mutual Agreement. This Master Agreement may be terminated upon written agreement of the parties hereto.

(d) Termination by East Bay Entities. East Bay Entities may terminate this Master Agreement by written notice to Raiders:

(i) If performance by East Bay Entities of their obligations under any of the Agreements is not reasonably possible as a result of governmental action including, but not limited to, legislation or any order of court in any proceeding.

(ii) In the event that (A) there is damage to or destruction of the OACC Stadium such that Raiders cannot reasonably use the OACC Stadium for Football Events, or (B) all or any part of the OACC Complex is taken for a public or quasi-public use through the exercise of the right of eminent domain or is transferred as a result of the threat of the exercise of the right of eminent domain, and as a result thereof Raiders cannot reasonably use the OACC Stadium for Football Events, and in either case, East Bay Entities determine not to restore or replace the OACC Stadium or the OACC Complex.

(iii) Thirty (30) days following the date of written notice to Raiders by East Bay Entities, without a cure having been effected by Raiders during such period, if Raiders has failed to commence playing Football Events at the OACC Stadium on or before the first Football Event of the 1992 Football Season, provided, however, that this Section 8.1(d)(iii) shall not apply if such failure to commence results because Raiders has been enjoined by a court of competent jurisdiction or prohibited by valid legislation from commencing play at the OACC Stadium and such prohibition is actively contested by Raiders.

(iv) On or after March 1, 1994, if (A) Raiders have not commenced playing Football Events at the OACC Stadium prior to such date and (B) as of such date Raiders has been enjoined by a court of competent

jurisdiction or prohibited by valid legislation from commencing play at the OACC Stadium.

(v) If Raiders is in breach of any obligation under any of the Agreements which breach has a material adverse effect on East Bay Entities' ability to realize their projected revenues under the Marketing Strategy, provided that East Bay Entities shall not have the right to terminate this Master Agreement pursuant to this Section 8.1(d)(v) unless (A) East Bay Entities shall first have submitted its claim to Pretermination Alternative Dispute Resolution pursuant to Section 8.1(b) hereof, (B) the arbitration tribunal shall have found that such breach has occurred and that the breach has such material adverse effect, and (C) Raiders shall have failed to cure such breach within the time specified by the arbitration tribunal for cure.

(e) Termination by Raiders. Raiders may terminate this Master Agreement by written notice to East Bay Entities:

(i) If performance by Raiders of its obligation to commence playing its Football Events at the OACC Stadium on or prior to the date of its first Football Event for the 1994 Football Season is not reasonably possible as a result of governmental action including, but not limited to, legislation or any order of court in any proceeding, provided that such governmental action is not based upon the existence of an alleged contractual obligation of Raiders.

(ii) In the event that (A) there is damage to or destruction of the OACC Stadium such that Raiders cannot reasonably use the OACC Stadium for Football Events, or (B) all or any part of the OACC Complex is taken for a public or quasi-public use through the exercise of the right of eminent domain or is transferred as a result of the



threat of the exercise of the right of eminent domain, and as a result thereof Raiders cannot reasonably use the OACC Stadium for Football Events, and in either case, (X) East Bay Entities notifies Raiders that they have determined not to restore or replace the OACC Stadium or the OACC Complex, or (Y) East Bay Entities notifies Raiders that restoration or replacement of the OACC Stadium or the OACC Complex to a condition permitting use for Football Events cannot be completed by the commencement of the third Football Season (counting a partial season as a Football Season) after the date of the damage or taking, as the case may be, or (Z) if such restoration or replacement cannot reasonably be expected to be completed by the commencement of the third Football Season (counting a partial season as a Football Season) after the date of damage or taking, as the case may be.

(iii) If there shall be a change in law or governmental regulation or in the interpretation thereof, not within the control of East Bay Entities and as a result thereof the OACC Stadium will not be available for Football Events for a period ending after the commencement of the third Football Season (counting a partial season as a Football Season) after the effective date of the application of such law or regulation to the OACC Stadium.

(iv) Thirty (30) days following the date of written notice to East Bay Entities by Raiders, without a cure having been effected by East Bay Entities during such period, if East Bay Entities fail to provide the Approvals for the Permanent Training Facility or the Hall of Fame by the dates specified herein, except to the extent that such failure is excused by the terms of any of the Agreements.

(v) Thirty (30) days following the date of written notice to East Bay Entities by Raiders, without a cure having been effected by East Bay Entities during such

period, if East Bay Entities fail (A) generally to make available the facility for loan advances pursuant to the Loan Agreement; or (B) to pay or cause to be paid or advanced to Raiders within the time specified by any of the Agreements (1) any Operations Loan advance, (2) the Guaranteed Ticket Price, (3) the Executive Suite Guarantee, (4) the Club Seat Guarantee, (5) any Training Facility Advance, or (6) any funds remaining in the Executive Suite Project Loan or the Training Facility Project Loan upon the Completion Date of the Executive Suite Project or the Training Facility Project, as the case may be; except to the extent such failure is excused by the terms of any of the Agreements.

(vi) If East Bay Entities shall fail to pay or advance amounts to Raiders required to be paid or advanced under the terms of any of the Agreements, other than the amounts described in Section 8.1(e)(v) hereof, provided that (A) Raiders shall first have submitted its claim to Pretermination Alternative Dispute Resolution pursuant to Section 8.1(b) hereof, (B) the arbitration tribunal shall have determined an amount to be due, and (C) East Bay Entities shall have failed to pay or advance such amount within the time specified by the arbitration tribunal.

(vii) If East Bay Entities shall wilfully close the OACC Stadium to Raiders for any regularly scheduled Football Event, except to the extent permitted by the terms of any of the Agreements.

(viii) If East Bay Entities shall have breached any obligation under any of the Agreements including, but not limited to, the obligation of East Bay Entities to maintain and repair the OACC Stadium, to provide parking for Football Events and to provide Raiders certain priorities as to other licensees of the OACC Complex in

scheduling use of the OACC Stadium as provided in the Operating License, or with respect to the pricing of Viewing Rights, which breach has a material adverse effect on the terms and conditions of the Agreements, taken as a whole, under which Raiders is entitled to play Football Events at the OACC Stadium, to use the Permanent Training Facility, or to have spectators view such Football Events in safety and comfort, provided that Raiders shall not have the right to terminate this Master Agreement pursuant to this Section 8.1(e)(viii) unless Raiders shall first have submitted its claim to Pretermination Alternative Dispute Resolution pursuant to Section 8.1(b) hereof, the arbitration tribunal shall have found that such breach has occurred and that the breach has such material adverse effect, and East Bay Entities shall have failed to cure such breach within the time specified by the arbitration tribunal for cure.

(ix) Raiders may elect to terminate the Master Agreement and the Operating License by delivery of written notice to East Bay Entities of its intention to terminate not later than ninety (90) days after the conclusion of the World Championship Game for the preceding Football Season:

(A) without payment of any fee to East Bay Entities, following a period of ten (10) Football Seasons after the Commencement Date if the Stadium Capital Improvements are not Substantially Complete by the commencement of the ninth (9th) Football Season after the Commencement Date because East Bay Entities have failed to perform their obligations under any of the Agreements including, but not limited to, the obligation to provide the Approvals for the Stadium Capital Improvements by November 15, 1994, and the obligation to make loan advances

required by the Loan Agreement, except to the extent any such failure is excused by the terms of any of the Agreements;

(B) without payment of any fee to East Bay Entities, following a period of ten (10) Football Seasons commencing with the first (1st) Full Guarantee Season, if East Bay Entities have not made the Modernization Fund available to Raiders and thirty (30) days have elapsed following the date of written notice to East Bay Entities by Raiders without a cure having been effected by East Bay Entities during such period, except to the extent such failure is excused by the terms of any of the Agreements; or

(C) upon payment of the termination fee prescribed by Section 8.2(c) hereof, following a period of fifteen (15) Football Seasons commencing with the first (1st) Full Guarantee Season.

(f) Termination at End of License Term. If not previously terminated, this Master Agreement shall terminate at the end of the term of the Operating License.

8.2 Advances and Termination Fees.

(a) If this Master Agreement is terminated pursuant to Section 8.1(c) hereof, the parties shall specify in their written agreement the extent of Raiders' obligation to repay amounts advanced under the Loan Agreement, if any, and the terms for such repayment.

(b) If this Master Agreement is otherwise terminated, Raiders shall not be obligated to repay the unpaid balance (principal and interest) under the Loan Agreement except as provided therein; provided, however, that nothing in this Section 8.2(b) shall in any way impair any right or remedy available to East Bay Entities under any of the Agreements or under law or equity including, without limitation, any right to specific performance or to recover damages for breach of contract.

(c) Raiders shall pay the following termination fee on termination of the Operating License pursuant to Section 8.1(e)(ix)(C) hereof:

(i) after a period of fifteen (15) Football Seasons commencing with the first (1st) Full Guarantee Season but before the nineteenth (19th) such Football Season, Five Hundred Thousand Dollars (\$500,000);

(ii) after a period of nineteen (19) Football Seasons commencing with the first (1st) Full Guarantee Season but before the twenty-first (21st) such Football Season, Two Hundred Fifty Thousand Dollars (\$250,000); or

(iii) after a period of twenty-one (21) Football Seasons commencing with the first (1st) Full Guarantee Season, One Hundred Thousand Dollars (\$100,000).

The termination fee shall be paid to East Bay Entities by Raiders in cash on the later of the date of delivery of the termination notice or sixty (60) days following the last scheduled Football Event played by Raiders at the OACC Stadium.

(d) Except as provided in Section 8.2(c) hereof, Raiders shall not be obligated to pay any termination fee on termination of the Master Agreement.

8.3 Effect of Termination of Master Agreement. Notwithstanding any provision in any related Agreement to the contrary, upon termination of this Master Agreement pursuant to the terms hereof:

(a) The indemnity and contribution agreements of East Bay Entities and Raiders contained in Section 5.2 and Section 9.1(b) of this Master Agreement shall remain operative and in full force and effect regardless of any termination of this Master Agreement. Except as provided in the preceding sentence, upon termination of this Master

Agreement, neither East Bay Entities nor Raiders shall have any claim against the other under this Master Agreement except with respect to a breach occurring prior to termination.

(b) The Operating License and the Training Facility License shall terminate and be of no further force and effect, except with regard to any provision in either of such licenses that (i) by its terms survives termination of such license, or (ii) relates to the rights or obligations of the parties thereto in the event of termination; and

(c) Each of the Loan Agreement, the Hall of Fame License and the OACC Stadium Agreement shall continue in full force and effect until terminated in accordance with its respective terms.

8.4 Performance. It is understood and agreed that performance will be considered not to be reasonably possible for purposes of Section 8.1(d)(i) and Section 8.1(e)(i) only after the parties hereto have exercised their respective best efforts and good faith in attempting to overcome legal or other obstacles to performance hereunder, and that litigation, governmental action or legislation which may result in performance hereunder not being reasonably possible shall not include litigation, governmental action or legislation of, or, in any way promoted, aided, or abetted by, any of East Bay Entities or any of their affiliates (it being understood that a resident of the City or County is not an affiliate of an East Bay Entity solely by virtue of its taxpayer status) or litigation in any way promoted, aided or abetted by Raiders or any of its affiliates.

ARTICLE 9. CERTAIN REPRESENTATIONS, WARRANTIES AND
COVENANTS

9.1 Representations, Warranties and
Indemnification by Raiders.

(a) Representations and Warranties. Raiders hereby warrants and represents that to the best of its knowledge:

(i) It is the sole owner of a NFL franchise;

(ii) The execution, performance, and delivery of the Agreements, and any actions contemplated therein have been duly authorized by all necessary partnership action of Raiders and corporate action of Raiders' general partner;

(iii) The Agreements have been duly executed and delivered by Raiders and constitute the legal, valid and binding obligation of Raiders enforceable against Raiders in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors' rights and to equitable principles which may affect the availability of specific performance, injunction and other forms of equitable relief;

(iv) Except as disclosed in Schedule 9.1 hereto, (A) Raiders has not executed and delivered any document, instrument or agreement or otherwise entered into any understanding with respect to its obligations to play Football Events during the term contemplated hereby and (B) there is no presently pending litigation which challenges or restrains any of the actions required to be taken by Raiders under the Agreements or the consummation of any further agreements or actions by Raiders contemplated herein; as used in this Section 9.1(a)(iv), the "term contemplated

herein" shall mean the term commencing with the 1992 Football Season, unless Raiders shall opt pursuant to Section 6.5 of the Operating License to commence playing Football Events at the OACC Stadium for the 1990 or 1991 Football Season, in which case the "term contemplated herein" shall be deemed to include such 1990 and/or 1991 Football Seasons;

(v) Raiders is not obligated by the terms of any agreement or understanding with any third party obligating it to play Football Events in any location other than the OACC Stadium during the term contemplated herein; as used in this Section 9.1(a)(v), the "term contemplated herein" shall mean the term commencing with the 1992 Football Season, unless Raiders shall opt pursuant to Section 6.5 of the Operating License to commence playing Football Events at the OACC Stadium for the 1990 or 1991 Football Season, in which case the "term contemplated herein" shall be deemed to include such 1990 and/or 1991 Football Seasons;

(vi) Raiders is knowledgeable in the field of football facilities and, at all times throughout the term of this Master Agreement, shall perform its obligations under the Agreements in a prompt, diligent and expeditious manner, exercising a reasonable degree of skill and expertise in each field of specialization encompassed within its obligations sufficient to complete the work required, and shall maintain an adequate staff of capable personnel;

(vii) The execution, performance or delivery of the Agreements, the representations and warranties contained herein and therein and any agreement or action contemplated by the Agreements, will not be inconsistent with any law, rule or regulation of any governmental entity as presently interpreted or order of any

court to which Raiders is subject or pursuant to which Raiders is presently obligated or bound, and will not constitute a breach of any agreement or understanding with any vendor, concessionaire, service provider or similar contractor to which Raiders is a party or by which Raiders has agreed to be bound and which relates to Raiders' present lease or license agreement between Raiders and the Los Angeles Memorial Coliseum Commission; and

(viii) Each of the individuals who execute the Agreements on behalf of Raiders represent and warrant that they have the required partnership and/or corporate authority to do so, and that the Agreements are valid and binding obligations of Raiders.

(b) Indemnification and Contribution.

(i) Indemnity. With respect to any loss, liability, claim, costs, damage or expense (including, without limitation, reasonable legal fees and expenses) ("Covered Amount") for or on account of or arising from or in connection with any claim or legal action, or threat of claim or legal action or other legal proceeding (including proceedings in which East Bay Entities participate only as witnesses) ("Covered Dispute") due to a breach of any representation or warranty by Raiders contained in subsection (a)(i), (a)(ii), (a)(iii), (a)(iv), (a)(v), (a)(vii) and (a)(viii) of this Section 9.3, Raiders hereby agrees to indemnify East Bay Entities and their officers, directors, employees, agents and representatives against, and agrees to hold each of them harmless from any Covered Amount. Any person entitled to indemnification or contribution hereunder shall give prompt written notice to Raiders of any claim with respect to which such person may be entitled to indemnity or contribution hereunder stating the nature and basis of the claim and the amount thereof, to the extent known, and, unless in the reasonable judgment of

such indemnified party a conflict of interest may exist between such indemnified party and Raiders with respect to such claim, the indemnified party shall permit Raiders to assume the defense of such claim with counsel reasonably satisfactory to such indemnified party. Should Raiders assume the defense of any such claim, Raiders shall not be responsible for the legal fees and expenses of counsel independently retained by an indemnified party after Raiders' assumption of such defense and Raiders may affect any settlement of such claim without the consent of the indemnified party if Raiders has paid, or made adequate provision for the payment of, the full amount of such settlement at the time thereof. If Raiders is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel with respect to such claims, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event Raiders shall be obligated to pay the fees and expenses of such additional counsel or counsels. Raiders will not be subject to any liability for any settlement made without its consent, which consent shall not be unreasonably withheld or delayed. The failure of any indemnified party to provide the notice required by this Section 9.1(b)(i) shall not constitute a waiver of any right to indemnification hereunder except to the extent such failure prejudices Raiders' right to defend such claim.

(ii) Contribution. If the indemnification provided for in this Section 9.1(b) in respect of any Covered Amount (including, without limitation, any Covered Amount relating or arising out of a Covered Dispute in which a breach of the representation and warranty contained in Section 9.1(a)(v) to the effect that

Raiders is not obligated by the terms of any agreement or understanding with any third party obligating it to play Football Events at any location other than the OACC Stadium during the term contemplated herein) is prohibited by law, or otherwise not available, then Raiders, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Covered Amounts in such proportion that Raiders shall pay ninety-nine percent (99%) of such Covered Amounts and the East Bay Entities one percent (1%) of such Covered Amounts. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 9.1(b) were determined by pro rata allocation or by any other method of allocation which does not take account of the foregoing agreement.

(iii) No Exclusive Remedy. The rights of East Bay Entities under this Section 9.1(b) shall be in addition to, and shall not be exclusive of, any other rights provided under the Agreements and any other rights or remedies at law or in equity which may accrue to East Bay Entities.

9.2 Interpretation of Schedule 9.1. The listing of matters on Schedule 9.1 is intended as a disclosure of those matters by Raiders to East Bay Entities, and is not intended to be and shall not be construed to be and Raiders expressly disavows that the same are admissions by Raiders that the matters so listed in fact:

(a) are documents, instruments, agreements or understandings which obligate Raiders to play Football Events during the term contemplated herein (as that expression is used in Section 9.1(a)(iv)); or

(b) are litigation which challenges or restrains any of the actions required to be taken by Raiders

under the Agreements or the consummation of any further agreements or actions by Raiders contemplated herein

9.3 Representations and Warranties by East Bay Entities. East Bay Entities hereby represent and warrant that, to the best of their knowledge:

(a) The execution, performance, and delivery of the Agreements, and any agreements or actions contemplated therein have been duly authorized by all necessary action by East Bay Entities;

(b) The Agreements have been duly executed and delivered by East Bay Entities that are parties thereto and constitute the legal, valid and binding obligations of East Bay Entities that are parties thereto, enforceable against such East Bay Entities in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors' rights and to equitable principles which may affect the availability of specific performance, injunction and other forms of equitable relief;

(c) The execution, performance or delivery of the Agreements, the representations and warranties contained therein and any agreement or action contemplated by the Agreements will not constitute a breach, or be inconsistent with any law, rule or regulation as presently interpreted or the provisions of any contract, agreement, obligation, representation, warranty, or order of any court pursuant to which any of East Bay Entities are presently bound or under which they are presently obligated; and

(d) Each of the individuals who execute the Agreements on behalf of East Bay Entities represent and warrant that they have the required authority to do so, and that the Agreements are valid and binding obligations of the East Bay Entities on whose behalf they execute the respective Agreements.

9.4 Certain Covenants of City and County. City and County hereby agree to take all steps necessary to ensure that each of Coliseum, Financing, any entity or entities as they may form to carry out their obligations under the Agreements, and any successor or successors thereto, shall perform its respective obligations under this Agreement, the Operating License, the Loan Agreement, the OACC Stadium Agreement, and all other Agreements.

9.5 Best Knowledge of Parties. All representations and warranties made by any party hereto that are stated to be to the best of such party's knowledge shall mean that such party has no reason to believe that any such representation and/or warranty is incorrect and, in the case of a representation and/or warranty involving legal matters, such representation and/or warranty is made after consultation with legal counsel.

ARTICLE 10. MISCELLANEOUS

10.1 Signage and Advertising.

(a) Subject to existing rights of the Athletics and the Warriors under their current agreements (and as such existing rights may be continued under renewals thereof), in the event that opportunities for additional signage become available at the OACC Complex adjacent to Highway 880, or in locations in the OACC Stadium other than locations presently used for signage (not including signage directly relating to the proposed new sports arena), East Bay Entities shall use their best efforts to make such additional signage available to Raiders. Except as provided herein, if and to the extent that such signage is reasonably available and is not subject to the superior rights of other licensees of the OACC Complex, all such revenue shall be paid to Raiders.

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(b) East Bay Entities shall be entitled to receive all revenue from advertising in the Stadium Club for all events, including but not limited to Football Events, at the OACC Stadium during any period in which East Bay Entities is entitled to sell or license Club Memberships Viewing Rights pursuant to Section 5.1(c) or Section 6.1(d) hereof. Raiders shall be entitled to receive revenues from advertising in the Stadium Club at all other times.

10.2 Stadium and Complex Names.

(a) East Bay Entities shall use their best efforts to select or to sell the right to select a name for the OACC Stadium within two years after the date of Substantial Completion of the Stadium Capital Improvements. The proceeds associated with the right to select such name or names, regardless of when such selection is made, shall be paid to East Bay Entities, subject, however, to the obligation of East Bay Entities to make the additional loan advances provided for in the Loan Agreement and described in item fifteen (15) of Exhibit D. East Bay Entities agrees to act in good faith to avoid diminution of any amounts receivable by Raiders pursuant to this Section 10.2(a) hereof as a result of the sale, if any, of the right to name the OACC Complex.

(b) No name or names shall be selected for the OACC Stadium or the OACC Complex which would reasonably embarrass Raiders; provided, further, that, without limiting the foregoing, Raiders shall have the unrestricted right to reject any three (3) distinct proposed names for each of the OACC Stadium and the OACC Complex, it being understood and agreed that the rejection of one name shall include the rejection of all similar names associated therewith. It is further understood and agreed that under no circumstances shall the OACC Stadium or OACC Complex names include the

name of a present or former owner of a professional sports franchise.

10.3 Waivers of Personal Liability

(a) All liabilities under the Agreements and under all documents contemplated thereby on the part of East Bay Entities are solely liabilities of East Bay Entities, and Raiders hereby releases each and every officer, agent, employee, consultant and member of the governing boards of East Bay Entities from any personal or individual liability under the Agreements and under all documents contemplated thereby.

(b) All liabilities under the Agreements and under all documents contemplated thereby on the part of Raiders are solely partnership liabilities of Raiders and East Bay Entities hereby release each and every officer, agent, employee, consultant and general and limited partner, and the officers, agents, employees and past, present or future shareholder of such general or limited partner of Raiders (collectively, the "Released Persons") from any personal or individual liability under the Agreements and under all documents contemplated thereby, notwithstanding the general principle of the personal liability of general partners of limited partnerships for the obligations and liabilities of a limited partnership; provided, however, that nothing contained in this Section shall (i) be, or be deemed to be, a release or impairment of said liabilities or any part thereof or of any instrument or agreement securing the obligations of any Released Person, or (ii) otherwise limit or prejudice (and if it would so limit or prejudice them such shall be void and of no effect) in any way the right to enforce any other rights or remedies under any of the Agreements against the assets of Raiders; nor shall such limitation of liability apply to a transferee of a fraudulent conveyance from Raiders. With respect to Raiders

only, in the event that Raiders shall commence a voluntary case, or shall have commenced against it an involuntary case under the federal bankruptcy code or shall otherwise seek protection under any provision of any federal or state bankruptcy or insolvency law, the claims against Raiders, to the extent unsecured, shall be general unsecured claims against Raiders, but under no circumstances, against the general partner of Raiders, its officers, directors or shareholders, or the general partner's assets. East Bay Entities hereby agree that, except to the extent security from or recourse to a third party is expressly provided for pursuant to the terms of any of the Agreements, the assets of Raiders shall be the sole and exclusive source of recovery against Raiders on any obligation or liability incurred pursuant to the Agreements.

10.4 Letter of Credit Fees. The amount of any fee imposed by the issuer of any Letter of Credit delivered by Raiders to Financing pursuant to Section 2.7(C) of the Loan Agreement shall be paid by East Bay Entities at the time of payment of such fee by Raiders; provided, however, that, for each year in which any Letter of Credit shall be effective, East Bay Entities shall not be required to pay the amount of any such fee that exceeds one percent (1%) of the amount of the loan advance related to such Letter of Credit.

10.5 Recovery of Expenses. If any party hereto shall institute any legal action or proceeding to enforce, protect or establish any right or remedy arising out of any of the Agreements, including any proceeding based upon a breach of any representation or warranty, the prevailing party or parties shall be entitled to recover from the other party or parties all expenses of litigation, including reasonable attorneys' fees and costs incurred in such action or proceeding, and any such expenses and costs of any appeals taken from such action or proceeding.

10.6 Successors. None of the parties shall assign or transfer any or all of its interests in this Master Agreement without prior written consent of all other parties, which consent will not be unreasonably withheld or delayed; provided, however, that no consent shall be required for the assignment of rights or obligations under any of the Agreements by any or all of the East Bay Entities to another East Bay Entity or to one or more entities, provided East Bay Entities remain liable with respect to their obligations hereunder. Subject to the foregoing, this Master Agreement shall bind and inure to the benefit of the parties and their successors, assigns and legal representatives.

10.7 No Partnership or Joint Venture. The transactions contemplated by the Agreements shall not constitute nor be deemed to constitute a partnership or joint venture among the parties.

10.8 Notices. All notices, requests, demands, consents, approvals and other communications required or permitted to be given or delivered hereunder shall be in writing and shall be considered given and received either when delivered in person to the recipient as named below, or on the fifth day after deposit in the United States Postal Service in a sealed envelope, either registered or certified mail, return receipt requested, postage prepaid, addressed to the party, or on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the party at the following address:

Raiders:

East Bay Entities or to the City,
County or Coliseum individually:

City:

County:

Coliseum:

The addresses set out above may be changed from time to time by written notice in compliance with this section.

10.9 Governing Law. This Master Agreement shall be governed by, interpreted and construed in accordance with California law.

10.10 Exhibits. All exhibits attached to this Master Agreement are hereby incorporated by this reference.

10.11 Integration. The Agreements constitute the sole and entire agreement between East Bay Entities and Raiders with respect to the matters contemplated thereby, and no prior agreements or understandings between East Bay Entities and Raiders pertaining to such matters shall be effective for any purpose. No alteration, amendment or modification of any of the Agreements shall be valid unless by an instrument in writing executed by each party hereto with the same formality as such Agreement. None of the Agreements nor any provision thereof can be changed, modified or abandoned, in whole or in part, except by instrument in writing, and no subsequent oral agreement shall have any validity.

10.12 Equitable Relief. The parties hereto agree that the subject matter of the Agreements involve unique services and facilities and that a breach of any material covenant or obligations thereunder cannot be reasonably or adequately compensated for in damages at law, and a breach

of said covenant or obligation will cause great and irreparable injury and damage. In addition to all other remedies which may be available at law or in equity, the injured party shall be entitled to injunctive relief and other equitable relief to enforce such covenants or obligations including, without limitation, the remedy of specific performance.

10.13 Headings. The captions or paragraph headings used herein are for convenience only and are not a part of this Master Agreement. The same shall not be referred to in construing or interpreting this Master Agreement.

10.14 Confidentiality. East Bay Entities acknowledge and agree that Schedule 9.1 may contain confidential information and that they will not disclose the contents thereof to any third party unless validly required to do so by order, rule or regulation of any governmental body or by subpoena or similar processes.

10.15 Master Agreement Controls. Except as specifically provided herein or in the terms of any Related Agreement, if there is a conflict between the terms of this Master Agreement and any of the terms of the Related Agreements, the terms of this Master Agreement shall control.

DATED: _____, 1990.

CITY OF OAKLAND

By _____
Its _____

COUNTY OF ALAMEDA

By _____
Its _____

OAKLAND-ALAMEDA COUNTY COLISEUM

By _____
Its _____

LOS ANGELES RAIDERS
a California Limited Partnership

By _____
a California corporation, its
General Partner

By _____
Its President

EXHIBIT A

DEFINITIONAL ANNEX

1.1 As used herein, the following terms shall have the following meanings unless the context clearly indicates otherwise (terms defined in the singular to have the same meanings when used in the plural and vice versa):

"Access Area" shall have the meaning ascribed in Section 5.4 of the Operating License.

"Act of Insolvency" shall mean: (i) if Raiders shall admit in writing its inability to pay its debts as they mature; (ii) if Raiders shall make an assignment for the benefit of creditors or take any other similar action for the protection or benefit of creditors; (iii) if Raiders shall give notice to any governmental body of insolvency or pending insolvency, or suspension or pending suspension of operations; (iv) if Raiders shall file a voluntary petition in bankruptcy or shall be adjudicated as bankrupt or insolvent; (v) if Raiders shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief for itself under any present or future applicable federal, state or other statute or law relative to bankruptcy, insolvency or other relief of debtors; (vi) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Raiders seeking any relief described in the preceding clause (v) and (A) Raiders acquiesces in the entry of such order, judgment or decree (the term "acquiesce" as used in this definition shall include, without limitation, Raiders' failure to file a petition or motion to vacate or discharge any order, judgment or decree within ten (10) days after entry of such order judgment or decree), or (B) such order, judgment or decree shall remain unvacated and unstayed for

an aggregate of thirty (30) days from the date of initial entry thereof; (vii) if Raiders shall seek or consent to or acquiesce in the appointment of any trustee, receiver, conservator or liquidator of Raiders or all or any substantial part of Raiders' properties or its interest in any of the Agreements; (viii) if any trustee, receiver, conservator or liquidator of Raiders or of all or any substantial part of its property or its interest in any of the Agreements shall be appointed without the consent or acquiescence of Raiders and such appointment shall remain unvacated and unstayed for an aggregate of thirty (30) days from the date of initial appointment; or (ix) if Raiders' rights under any of the Agreements shall be levied upon under any attachment or execution and such attachment or execution shall remain unvacated and unstayed for an aggregate of thirty (30) days from the initial date of such levy.

"Agreements" shall mean, individually or collectively, the Master Agreement, the Operating License, the Loan Agreement, the Hall of Fame License, the Training Facility License and the OACC Stadium Agreement.

"Alternate Training Site" shall mean [to come].

"Approvals" shall mean all necessary zoning and other land use permits, variances or exceptions and accompanying environmental impact reports and studies for development, design, construction, use and occupancy.

"Arbitration Notice" shall have the meaning ascribed in Section 6.2 of the OACC Stadium Agreement.

"Arbitrator" shall have the meaning ascribed in Section 6.1 of the OACC Stadium Agreement.

"Authorized Raiders Representative" shall mean [to come].

"Athletics" shall mean the Oakland Athletics Baseball Company, a current licensee of the OACC Stadium,

and any successor thereto as owner of the Oakland Athletics professional baseball team.

"Available" shall mean, with respect to any category of seating at the OACC Stadium, the actual seat count of seats in that category as the OACC Stadium is configured for Football Events; provided, however, that if the Stadium Capital Improvements are not Substantially Complete by the 1992 Football Season because East Bay Entities (a) did not comply in a material respect with their obligations under Section 4.1 of the OACC Stadium Agreement, (b) failed to make the advances required by Section 3.3(a) of the Master Agreement, or (c) failed to perform any other material obligation under any of the Agreements, then until such time as the Stadium Capital Improvements are Substantially Complete, "Available" shall mean the number of seats to be constructed in a particular category under the then current plans and specifications for the Stadium Capital Improvements.

"Borrowings" shall mean, individually or collectively, the Tax-Exempt Borrowing and the Taxable Borrowing.

"Cancelled Events" shall have the meaning ascribed in Section 6.10 of the Master Agreement.

"City" shall have the meaning ascribed in Section 1.1 of the Master Agreement.

"Club Loge" shall have the meaning ascribed in Section 6.6(a) of the Master Agreement.

"Club Memberships" shall have the meaning ascribed in Section 6.4(b) of the Master Agreement.

"Club Membership Guarantee" shall have the meaning ascribed in Section 6.4(c) of the Master Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Coliseum" shall have the meaning ascribed in Section 1.1 of the Master Agreement.

"Commencement Date" shall mean the start of the Football Season in which Raiders commences playing its Football Events at the OACC Stadium.

"Completion Date" of any Project shall have the meaning ascribed in Section 2.6 of the Loan Agreement and Section 9.9 of the OACC Stadium Agreement.

"Conflicting Events" shall have the meaning ascribed in Section 5.2 of the Operating License.

"Construction Commencement Date" shall have the meaning ascribed in Section 3.1 of the OACC Stadium Agreement.

"Construction Cost Index" shall mean the San Francisco Construction Cost Index (now reported in the Engineering News Record), or its properly adjusted successor.

"Construction Loan Advances" shall have the meaning ascribed in Section 3.3(a) of the Master Agreement.

"Costs of Construction," with respect to the Stadium Capital Improvements or the Permanent Training Facility, as the case may be, shall mean and include, but are not limited to, all materials, equipment, labor, expendable personal property, field office expenses, supervisory personnel, construction management, inspections and testing, insurance, payroll taxes, sales, use and similar taxes, subcontracts, bonds, royalties, emergency or life safety costs, scaffolding, barricades and security, but shall not include money loaned to Raiders as provided in the Loan Agreement other than for construction of the Stadium Capital Improvements or the Permanent Training Facility, as the case may be.

"County" shall have the meaning ascribed in Section 1.1 of the Master Agreement.

"Covered Amount" shall have the meaning ascribed in Section 9.1(b)(i) of the Master Agreement.

"Covered Dispute" shall have the meaning ascribed in Section 9.1(b)(i) of the Master Agreement.

"Diamond Vision System" shall mean the Diamond Vision electronic color video display and scoreboard system located in the OACC Stadium and owned by Athletics.

"East Bay Entities" shall mean the City, the County, the Coliseum, Financing and such other entity or entities which are wholly-owned or controlled by the foregoing and used to carry out their obligations under the Agreements. References to "East Bay Entities" shall be references to each of the City, the County, the Coliseum and such other entity or entities which are wholly-owned or controlled by the foregoing.

"Excess Club Membership Revenue" shall have the meaning ascribed in Section 6.4(d) of the Master Agreement.

"Excess Stadium Increase" shall have the meaning ascribed in Section 6.2(f) of the Master Agreement.

"Exclusive Area" shall have the meaning ascribed in Section 3.1.4 of the Operating License.

"Executive Suites" shall mean the luxury boxes currently in existence at the OACC Stadium and added or renovated as part of the Stadium Capital Improvements and shall refer collectively to First Executive Suites, Second Executive Suites and Third Executive Suites.

"Executive Suite Guarantee" shall have the meaning ascribed in Section 6.3(e) of the Master Agreement.

"Executive Suite Guarantee Price" shall have the meaning ascribed in Section 6.3(e) of the Master Agreement.

"Executive Suite Project" shall mean the Executive Suites to be constructed by Raiders as part of the Stadium Capital Improvements, as further described in Section 3.3 of the Master Agreement.

"Executive Suite Project Construction Fund" shall mean the funds established with respect to the Executive Suite Project pursuant to the Trust Agreements.

"Executive Suite Project Loan" shall be as defined in Section 2.2 of the Loan Agreement.

"Field Loge" shall have the meaning ascribed in Section 6.6(a) of the Master Agreement.

"Financing" shall have the meaning ascribed in Section 1.2 of the Master Agreement.

"First Executive Suites" shall mean the twenty-seven (27) existing Executive Suites first constructed in the OACC Stadium pursuant to the first amendment of Licensor's license agreement with Athletics in which Raiders will purchase a one-half ownership interest from Athletics pursuant to the terms of such amendment and the Operating License.

"Football Events" shall mean all Pre-Season, Regular Season and Post-Season football games played by Raiders in which Raiders is designated as the home team, other than (i) Pre-Season games scheduled by the NFL for play at sites which are not the home stadium of either participant but at which Raiders is designated by the NFL as the titular home team, and (ii) any World Championship Game in which Raiders is a participant. Each game encompassed by the term "Football Events" shall be a "Football Event."

"Football Event Expenses" shall have the meaning ascribed such term in Section 9.1 of the Operating License.

"Football Season" shall mean a minimum of one-half of all Pre-Season games played by Raiders (rounded down to the nearest whole game), all Football Events played during the Regular Season and all Football Events played during the Post-Season. Notwithstanding the foregoing, as used in Section 1.4 and Article 6 of the Master Agreement and Part 6

of the Operating License, "Football Season" shall mean all of Raiders' Football Events and not less than seventy percent (70%) of all of Raiders' scheduled Football Events for a given Football Season; provided that if the percentage of such scheduled Football Events is not a whole number, it shall be rounded down to the nearest whole number and such rounded number shall constitute the minimum number of Football Events required to constitute a Football Season for the purposes of the Sections and Article listed above. References to a Football Season by years, such as "1990 Football Season" shall mean the Football Season commencing in that year.

"Force Majeure" with respect to any person or entity, shall mean matters or conditions beyond the reasonable control of such person or entity including, but not limited to, war, public emergency or calamity, fire, earthquake, flood, act of God, strikes, labor disturbances or actions, civil disturbances or riots, or any governmental restrictions.

"Franchise" shall mean and include all of the rights, privileges, and powers granted by the NFL to Raiders as a member of the NFL.

"Full Guarantee Season" shall mean a Football Season to which the provisions of Article 6 of the Master Agreement apply without modification.

"Future Rights" shall have the meaning ascribed in Section 6.6(a) of the Master Agreement.

"General Contractor" shall have the meaning ascribed in Section 9.2 of the OACC Stadium Agreement.

"Guaranteed Ticket Price" shall have the meaning ascribed in Section 6.2(d) of the Master Agreement.

"Hall of Fame" shall mean the hall of fame building to be constructed as provided in Section 7.2 of the Master Agreement.

"Hall of Fame License" shall have the meaning ascribed in Section 7.2(b) of the Master Agreement.

"HOK" shall have the meaning ascribed in Section 4.1 of the OACC Stadium Agreement.

"HOK Capital Improvement Plan" shall have the meaning ascribed in Section 7.3 of the OACC Stadium Agreement.

"Hook-ups" shall have the meaning ascribed in Section 13.1 of the Operating License.

"Letter of Credit" shall have the meaning ascribed in Section 2.7(C) of the Loan Agreement.

"License Agreement" or "License Agreements" shall mean, individually or collectively, the Operating License, the OACC Stadium Agreement, the Training Facility License and the Hall of Fame License, as the case may be, and as the same may be amended or modified from time to time in accordance with the terms thereof.

"Loan" or "Loans" shall mean, individually or collectively, the Project Loans and the Operations Loan, as the case may be.

"Loan Agreement" shall mean the Loan Agreement dated as of even date herewith, between Financing and Raiders, as the same may be amended or modified from time to time in accordance with the terms thereof.

"Location Premium" shall have the meaning ascribed in Section 6.5(a) of the Master Agreement.

"Loge Seats" shall have the meaning ascribed in Section 6.6(a) of the Master Agreement.

"Major Damage" shall have the meaning ascribed in Section 16.1 of the Operating License.

"Marketing Rights Periods" shall have the meaning ascribed in Section 3.2.2 of the Operating License.

"Marketing Strategy" shall have the meaning ascribed in Section 5.1(a) of the Master Agreement.

"Master Agreement" shall mean this Master Agreement, as the same may be amended or modified from time to time in accordance with the terms thereof.

"Modernization Fund" shall have the meaning ascribed in Section 3.4 of the Master Agreement.

"Modernization Projects" shall have the meaning ascribed in Section 3.4 of the Master Agreement.

"Net Food and Beverage Concession Revenue" shall mean one hundred percent (100%) of the amount due Licensor from Licensor's food and beverage concessionaire(s) from the sale of food and beverages at Football Events, including, but not limited to, the sale of food and beverages in seats for the holders of Club Memberships, in the Executive Suites, at facilities exclusively provided to holders of Club Memberships and licensees of Executive Suites and at other locations at the OACC Complex on any occasion otherwise associated directly or indirectly with Raiders.

"NFL" shall mean the National Football League.

"No Guarantee Season" shall mean a Football Season which is not a "Football Season" for purposes of Article 6 of the Master Agreement, but as to which the provisions of Article 6 apply with the following modifications:

(a) East Bay Entities shall be obligated to pay the Guaranteed Ticket Price only with respect to tickets actually sold;

(b) In lieu of the Executive Suite Guarantee, East Bay Entities shall pay to Raiders with respect to each Executive Suite licensed for such Football Season an amount equal to the lesser of the Executive Suite Guarantee Price or the amount actually received, in cash or in kind, by East Bay Entities for such Executive Suite;

(c) There shall be no Club Membership Guarantee, and all revenue from the licensing of Club

Memberships for such Football Season shall be treated as Excess Club Membership Revenue; and

(d) East Bay Entities shall have the option to market all seats on a Standard Admission Price basis.

"OACC Complex" shall have the meaning ascribed in Section 1.2 of the Operating License.

"OACC Project" shall mean the construction and development of all of the Stadium Capital Improvements, except the Executive Suites.

"OACC Project Construction Fund" shall mean the fund established for the OACC Project pursuant to the Trust Agreements.

"OACC Project Loan" shall have the meaning ascribed in Section 2.1 of the Loan Agreement.

"OACC Stadium" shall mean the combination of (i) the open air structure currently seating approximately 50,000 people located on the easterly side of the OACC Complex, and (ii) when constructed, the Stadium Capital Improvements.

"OACC Stadium Agreement" shall mean the Stadium Capital Improvement License and Design and Construction Coordination Agreement dated as of even date herewith, between Coliseum and Raiders, as the same may be amended or modified from time to time in accordance with the terms thereof.

"Operating License" shall mean the Operating License dated as of even date herewith, between Coliseum and Raiders, as the same may be amended or modified from time to time in accordance with the terms thereof.

"Operations Loan" shall have the meaning ascribed in Section 2.4 of the Loan Agreement.

"Option Date" shall have the meaning ascribed in Section 6.1(a)(ii) of the Master Agreement.

"Parking Area" shall have the meaning ascribed such term in Section 5.1 of the Operating License.

"Parking Capacity" shall mean parking spaces to accommodate nine thousand six hundred (9600) vehicles for Football Events, of which at least eight thousand four hundred (8400) spaces shall be provided on a for-pay basis and as many as one thousand two hundred (1200) spaces may be provided on a permit basis. The number of spaces allowed to be provided on a permit basis shall include the number of parking spaces provided for use free of charge by Raiders, its owners, officers, employees, agents, invitees, NFL employees or officials and all media employees, representatives, and agents pursuant to the terms of the Operating License. Parking Capacity shall not be reduced as a result of the construction of the Hall of Fame as such is contemplated under the Agreements.

"Partial Guarantee Season" shall mean a Football Season which is not a "Football Season" for purposes of Article 6 of the Master Agreement, but as to which the provisions of Article 6 shall apply with the following modifications:

(a) In lieu of the Executive Suite Guarantee, East Bay Entities shall pay to Raiders with respect to each Executive Suite licensed for such Football Season an amount equal to the lesser of the Executive Suite Guarantee Price or the amount actually received, in cash or in kind, by East Bay Entities for such Executive Suite;

(b) There shall be no Club Membership Guarantee, and all revenue from the licensing of Club Memberships for such Football Season shall be treated as Excess Club Membership Revenue; and

(c) East Bay Entities shall have the option to market all seats on a Standard Admission Price basis.

"Permanent Training Facility" shall mean the training facility to be erected on the Primary Training Site or the Alternate Training Site.

"Post-Season" shall mean the schedule of dates adopted by the NFL for the playing of "Wild Card playoff games," "Divisional Championship playoff games," and "Conference Championship playoff games" as such terms are contemplated by the Constitution and Bylaws of the NFL.

"Preliminary Design Documents" shall have the meaning ascribed in Section 6.1 of the OACC Stadium Agreement.

"Premium Seats" shall have the meaning ascribed in Section 5.1(d)(ii) of the Master Agreement.

"Pre-Season" shall mean the schedule of football games played during the period immediately prior to the Regular Season, which games do not count in the Regular Season standings for purposes of qualifying for Post-Season play.

"Pretermination Alternative Dispute Resolution" shall have the meaning ascribed in Section 8.1(b) of the Master Agreement.

"Primary Training Site" shall mean [to come].

"Prime Rate" shall mean the reference rate from time to time generally announced by the Bank of America, NT&SA. The Prime Rate shall be adjusted in accordance with any changes in the Prime Rate to take effect on the beginning of the day of such change in the Prime Rate.

"Project" or "Projects" shall mean, individually or collectively, the OACC Project, the Executive Suite Project and the Training Facility Project.

"Project Architect" shall have the meaning ascribed in Section 5.1 of the OACC Stadium Agreement.

"Project Construction Fund" or "Project Construction Funds" shall mean, individually or

collectively, the OACC Project Construction Fund, the Executive Suite Project Construction Fund and the Training Facility Project Construction Fund.

"Project Loan" or "Project Loans" shall mean, individually or collectively, the OACC Project Loan, the Executive Suite Project Loan and the Training Facility Project Loan.

"Raider Room" shall have the meaning ascribed in Section 3.1.3 of the Operating License.

"Raiders" shall have the meaning ascribed in Section 1.1 of the Master Agreement.

"Regular Season" shall mean to schedule of dates teams to establish official standings for the purposes of qualifying for Post-Season play.

"Regulations" shall have the meaning ascribed in Section 6.2(B) of the Loan Agreement.

"Reimbursement Maximum" shall have the meaning ascribed in Section 9.3 of the Operating License.

"Related Agreements" shall mean the Hall of Fame License, the Loan Agreement, the OACC Stadium Agreement, the Operating License, and the Training Facility License.

"Released Persons" shall have the meaning ascribed in Section 10.3 of the Master Agreement.

"Representative" shall have the meaning ascribed in Section 5.2 of the OACC Stadium Agreement.

"Residual Loge Fee" shall have the meaning ascribed in Section 6.7(a) of the Master Agreement.

"Second Executive Suites" shall mean the eight (8) existing Executive Suites owned by Licensor and constructed in the OACC Stadium after the First Executive Suites and the ten (10) Executive Suites owned by Licensor which are currently under construction.

"Security Instruments" shall have the meaning ascribed in Section 3.3 of the Loan Agreement.

"Selection Committee" shall have the meaning ascribed in Section 6.1 of the OACC Stadium Agreement.

"Stadium Capital Improvements" shall mean the work generally described in the HOK Capital Improvement Plan.

"Stadium Club" shall have the meaning ascribed in Section 6.4(a) of the Master Agreement.

"Stadium Increase" shall have the meaning ascribed in Section 6.2(e) of the Master Agreement.

"Standard Admission Price" shall have the meaning ascribed in Section 6.2(a) of the Master Agreement.

"Substantially Complete" shall have the meaning generally given such term in the construction industry.

"Taking" shall have the meaning ascribed in Section 22.1 of the Operating License.

"Taxable Borrowing" shall have the meaning ascribed in Section 6.1(A) of the Loan Agreement.

"Tax-Exempt Borrowing" shall have the meaning ascribed in Section 6.1(A) of the Loan Agreement.

"Temporary Training Site" shall mean [to come].

"Third Executive Suites" shall mean the sixty-three (63) Executive Suites to be wholly owned by Raiders during the term of the Operating License and to be constructed in the OACC Stadium as part of the construction of Stadium Capital Improvements.

"Training Facility License" shall have the meaning ascribed in Section 7.1(b) of the Master Agreement.

"Training Facility Project" shall mean the Permanent Training Facility to be constructed by Raiders in accordance with the Training Facility License.

"Training Facility Project Construction Fund" shall mean the fund established for the Training Facility Project pursuant to the Trust Agreements.

"Training Facility Project Loan" shall have the meaning ascribed in Section 2.3 of the Loan Agreement.

"Training Site" shall mean the Primary Training Site or, if the Primary Training Site is unavailable, the Alternate Training Site.

"Trust Agreements" shall mean a trust agreement or indenture and any supplements thereto among Trustee, Financing, City and County relating to the Taxable Borrowing and the Tax-Exempt Borrowing.

"Trustee" shall mean [to come].

"Viewing Rights" shall mean tickets for all Available seats at the OACC Stadium and all of East Bay Entities' rights to sell or license Executive Suites, Club Memberships, Location Premiums, Club Loges, Field Loges, Future Rights, Residual Loges, or any other rights to view Football Events at the OACC Stadium.

"Warriors" shall mean the Golden State Warriors, a current licensee of the OACC Complex, and any successor thereto as owner of the Golden State Warriors professional basketball team.

"Working Drawings" shall have the meaning ascribed in Section 6.1 of the OACC Stadium Agreement.

1.2 Unless otherwise specified, references to Articles, Sections and other subdivisions of the Agreements and Exhibits thereto are to the designated Sections and other subdivisions of such Agreements and Exhibits as originally executed. The words "hereof," "herein," "hereunder" and words of similar import refer to the respective Agreement as a whole. The headings or titles of the several Articles and Sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

DRAFT

FEB 15 1990

EXHIBIT B

OAKLAND-ALAMEDA COUNTY COLISEUM STADIUM

OPERATING LICENSE

LOS ANGELES RAIDERS

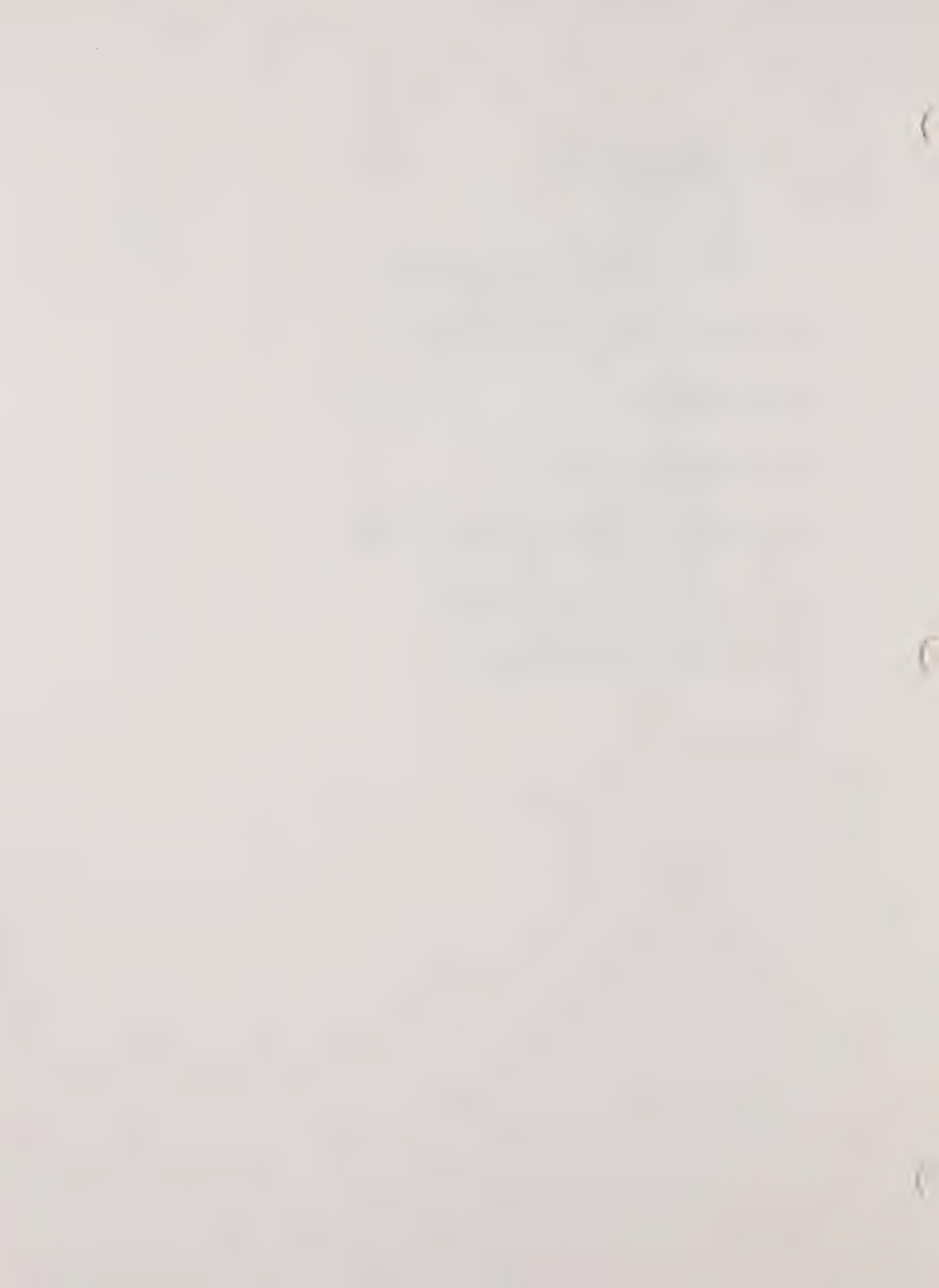
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FEB 15 1990

EXHIBIT B
OAKLAND-ALAMEDA COUNTY COLISEUM STADIUM
OPERATING LICENSE
LOS ANGELES RAIDERS

1. PARTIES

1.1 Names. This Operating License ("License") is entered between OAKLAND-ALAMEDA COUNTY COLISEUM, INC., a California non-profit corporation ("Licensor") and the LOS ANGELES RAIDERS, a California limited partnership ("Raiders"), on the following terms and conditions.

1.2 Licensor. Licensor, in accordance with an Operating Agreement with the City and County, has the right to operate and manage the Oakland-Alameda County Coliseum complex, which is located on real property adjoining the Nimitz Freeway at Hegenberger Road and 66th Avenue in the City, and which has been improved with the OACC Stadium an arena, exhibit hall, Parking Area and related roadways and other facilities ("OACC Complex").

1.3 Raiders. Raiders owns a franchise in the American Football Conference of the National Football League and does business under the name of "LOS ANGELES RAIDERS."

2. DEFINITIONS

Unless the context or terms of this License clearly indicate otherwise, the definitions contained in Exhibit A to the Master Agreement, as the same may be amended from time to time, shall govern the interpretation of capitalized terms contained herein and such definitions are hereby incorporated by reference.

3. AREAS LICENSED

3.1 License of Other Than Executive Suites, Diamond Vision System and Stadium Capital Improvements

3.1.1 Football Events and Scheduled Related Events. Licensors grants to Raiders the right to use the OACC Stadium field area (which shall include the playing field and all ramps and passageways providing access to such field), home and visiting team locker rooms, public seating areas (other than the Executive Suites), special function areas and common areas (described in Section 3.1.5) of the OACC Stadium for (i) all Football Events; and (ii) for certain related events of Raiders (estimated to be 5 per Football Season) all on the terms and conditions contained in this License. Raiders may conduct such related events after mutual agreement between Raiders and Licensors as to the dates of such use and provided that such area(s) is not previously scheduled for use by another user of the OACC Stadium. There shall be no charge to Raiders by Licensors for such promotional use of the OACC Stadium. In no event, however, shall the License granted

herein be construed as a license of the use of the Diamond Vision System.

3.1.2 Practices. Licensor grants to Raiders and each opponent of Raiders for the next scheduled Football Event the right to use the OACC Stadium field area (which shall include the playing field and all ramps and passageways providing access to such field), home and visiting team locker rooms, public seating areas (other than the Executive Suites), special function areas, and common areas (described in Section 3.1.5) of the OACC Stadium for practice sessions of up to two (2) hours each on those days immediately preceding the day of such next scheduled Football Event, all on the terms and conditions contained in this License and provided that such area(s) is not previously scheduled for use by the Athletics. In no event, however, shall the license granted herein be construed as a license of the use of the Diamond Vision System.

3.1.3 Raider Room. Licensor grants to Raiders the right to use a room containing approximately _____ square feet [similar in size and location to the former Raider Room] as a special function room at all times during the Football Season and after reasonable notice by Raiders on individual occasions not occurring during the Football Season that are associated directly or indirectly with Raiders. Licensor further grants to Raiders the right to decorate and appoint such room as Licensor reasonably desires and the right to refer to the room as the "Raider Room"; provided, that Raiders shall pay all costs of decorating and appointing such room. Licensor expressly reserves the right to use the Raider Room for its own

purposes and events; provided, that no use by Licensor shall conflict with a prior scheduled use by Raiders and Licensor will provide Raiders with reasonable notice of each intended use by Licensor. Licensor shall provide or cause to be provided all janitorial services required to keep the Raider Room in a clean and orderly manner at all times. Raiders shall be responsible for the cost of all such services during the Football Season, unless they relate to a use by Licensor occurring during the Football Season, and for such services as they relate to a use by Raiders not occurring during the Football Season. Licensor shall be responsible for the cost of all such services incurred in connection with any use of the Raider Room by Licensor or use of the Raider Room by others with the permission of Licensor.

3.1.4 Exclusive Area. Licensor grants to Raiders the exclusive right to use an office space located at the OACC Complex of up to two thousand (2,000) square feet as a ticket distribution office ("Exclusive Area") on the terms and conditions contained on this License.

3.1.5 Areas Described. The special function areas shall consist of the officials room, team training and medical facilities, the City of Oakland, Peralta and County of Alameda Rooms, interview areas (upon completion of Stadium Capital Improvements), the press lounge (work areas and eating areas) and the football press box area(s) in use prior to construction of the Stadium Capital Improvements. The common areas shall consist of all bathrooms, passageways and walkways, ramps and stairs open to the public and providing access

between the exterior of the OACC Stadium and the public seating areas and playing field. All areas licensed pursuant to this Section 3.1 shall be at no charge to Raiders, except Raiders shall pay for each use by it of the City of Oakland, Peralta and County of Alameda Rooms at the regular and customary rates charged by Licensor to other users of such rooms. The current locations of the areas described in Subsections 3.1.1, 3.1.2, 3.1.3 and 3.1.4, above are designated on a map of the OACC Complex attached hereto as Exhibit _____. Licensor and Raiders acknowledge and agree that the exact location of the areas licensed pursuant to this Section 3.1 may change during the term of this License due to the construction of Stadium Capital Improvements or other construction, renovation or rearrangement of the layout of the OACC Complex. Exhibit _____ to this License shall be amended from time to time to reflect such changes and to designate the then current location of the areas described in Subsections 3.1.1, 3.1.2, 3.1.3 and 3.1.4.

3.2 License of Executive Suites

3.2.1 Acquisition of Ownership Interest.

Raiders hereby agrees to purchase from the Athletics a one-half (1/2) ownership interest in the First Executive Suites pursuant to rights granted a potential professional football licensee under the first amendment to the Athletics' license agreement covering use of the OACC Stadium. Raiders further agrees to pay to the Athletics in cash or by cashier's check the sum of Eight Hundred Ninety-Eight Thousand Dollars (\$898,000.00) as the purchase price of such one-half (1/2) ownership interest upon receipt by Raiders of a loan advance for such amount

pursuant to the terms and conditions of the Executive Suite Project Loan described in Section 2.2 of the Loan Agreement.

3.2.2. License of First Executive Suites.

Raiders grants to Licensor for all periods during the term of this License all of Raiders' rights to use and sublicense the use of the First Executive Suites for events other than Football Events, and for periods during the term of this License to which Section 5.1(c) of the Master Agreement applies ("Marketing Rights Periods") the right to use and the right to sublicense the use of the First Executive Suites for Football Events, all on the terms and conditions contained in this License.

3.2.3 License of Second Executive Suites

(a) Licensor grants to Raiders during the term of this License the right to use and the right to sublicense the use of the Second Executive Suites for Football Events only, all on the terms and conditions contained in this License.

(b) Raiders grants to Licensor during all Marketing Rights Periods during the term of this License, the right to use and the right to sublicense the use of the Second Executive Suites for Football Events only, all on the terms and conditions contained in this License.

3.2.4 License of Third Executive Suites.

Raiders grants to Licensor for all periods during the term of

this License the right to use and sublicense the use of the Third Executive Suites when constructed for events other than Football Events, and for all Marketing Rights Periods during the term of this License the right to use and the right to sublicense the use of the Third Executive Suites when constructed for Football Events, all on the terms and conditions contained in this License.

3.2.5 Reserved Executive Suites.

Notwithstanding Subsections 3.2.2, 3.2.3 and 3.2.4 above, (i) prior to completion of the Stadium Capital Improvements East Bay Entities expressly reserve for their use four (4) Executive Suites at all times and Raiders expressly reserve for its use five (5) Executive Suites for Football Events only and (ii) after completion of the Stadium Capital Improvements East Bay Entities expressly reserve for their use four (4) Executive Suites at all times and Raiders expressly reserve for its use eleven (11) Executive Suites for Football Events only all as designated on Exhibit H to the Master Agreement. Exhibit H shall be amended from time to time as may be necessary to reflect changes in specific reserved Executive Suites agreed to by the parties hereto.

3.2.6 Janitorial Responsibility. Licensor

shall provide or cause to be provided all janitorial and custodial services required for all Executive Suites during the Football Season. During all Marketing Rights Periods, Licensor shall be responsible for the cost of all such janitorial and custodial services required in all Executive Suites licensed to it pursuant to Subsections 3.2.2, 3.2.3(b) and 3.2.4 above and

interfere with the use of any area being made by Raiders as contemplated hereunder. At all times that the OACC Stadium is not being used by Raiders for Football Events, practices or scheduled related events or by a Football Event opponent of Raiders for Football Events or practices, Licensor shall have the right to use all areas of the OACC Stadium, including all Executive Suites, Stadium Capital Improvements and the Raider Room (except as provided in Subsection 3.1.3 above) but excepting the Exclusive Area for all other types of events and activities on such terms and conditions and at such times as Licensor, in Licensor's sole discretion, shall determine without any liability to Raiders. Licensor shall not have the right to use any of Raiders' personal property without Raiders' prior consent.

3.5 Use Reserved to Raiders. Raiders shall retain the right to use all areas licensed to Licensor pursuant to Sections 3.2 and 3.3 above contemporaneously with use by Licensor so as to perform Raiders' obligations under the Agreements; provided, that Raiders shall not interfere with the use by Licensor of any area licensed to Licensor under Sections 3.2 and 3.3.

3.6 Exclusive for Professional Football. Raiders, so long as it is not in default under this License, shall have the exclusive right to play professional football games in the OACC Stadium, subject to this provision being determined by a court of competent jurisdiction to be unenforceable. East Bay Entities will not initiate any action seeking to invalidate this Section 3.6.

3.7 Restrictions on Use by Raiders. Neither Licensor nor Raiders, during any use of the OACC Stadium by Raiders, shall collect donations or solicit or knowingly permit the solicitation of persons for donations in the OACC Stadium for any cause, event or activity whether for charitable purposes or any other purpose without the prior consent of the other party. Raiders, in exercising its rights to use the OACC Stadium, shall be subject at all times to and shall comply with all laws, rules, ordinances, orders and regulations of all governmental entities and all reasonable rules and regulations adopted by Licensor from time to time applicable to all users of the OACC Stadium, provided that Licensor shall consult with Raiders prior to adopting rules and regulations that materially affect Raiders' use of the OACC Stadium or the OACC Complex, as contemplated hereunder. Licensor will not adopt such rules and regulations that materially adversely affect Raiders' operations or Raiders' fans safety and comfort without the consent of Raiders, such consent not to be unreasonably withheld or delayed.

4. SCHEDULING USE

Licensor and Raiders shall exercise their best efforts and good faith in coordinating the schedules of other licensees or users of the OACC Stadium and OACC Complex and the schedule of Football Events for any Football Season during the term of this License; provided, that in the event of a conflict between a use of the OACC Stadium by the Athletics and a use by Raiders, the Athletics' use shall be given priority unless an agreement is otherwise reached between Licensor, Raiders and/or the

Athletics; and provided that, in the event of a conflict between a use of the OACC Stadium by Raiders and a licensee of Licensor other than the Athletics, Raiders' use shall be given priority unless an agreement is otherwise reached between Licensor, Raiders and/or such other licensee of Licensor. In all events Raiders shall be allowed to schedule and play at least two (2) home Pre-season games on Friday nights, Saturdays or Sundays during each Football Season at the OACC Stadium. Notwithstanding the foregoing, no Football Event may be scheduled if such Football Event is likely to terminate within thirty-six (36) hours prior to the scheduled start of an Athletics' game.

5. PARKING AND ACCESS AREA

5.1 Parking Capacity. Subject to Section 5.2 below, Licensor will provide sufficient parking facilities within the OACC Complex parking lot, other area(s) of the OACC Complex, the immediate vicinity of the OACC Complex or, during periods of construction lasting in the aggregate no more than two (2) consecutive Football Seasons, at locations reasonably accessible to the OACC Stadium by shuttle transportation (such areas being referred to collectively as the "Parking Area") to accommodate Parking Capacity for persons attending Football Events. All shuttle transportation provided pursuant to this Section 5.1 shall be the sole cost and expense of Licensor, shall not constitute a Football Event Expense as described in Part 9 herein, and shall not constitute a cost of collection as described in Section 8.1 hereof. Licensor will not take any action or fail to take any action which would result in a loss

of more than two and one-half percent (2.5%) of Parking Capacity for any Football Event without the prior written consent of Raiders, such consent not to be unreasonably withheld or delayed. Licensor and Raiders agree that Raiders shall not be entitled to withhold its consent to the loss of more than two and one-half percent (2.5%) of Parking Capacity during a Football Event, if (i) the loss is caused by construction; (ii) the loss does not in the aggregate exceed five percent (5%) of Parking Capacity; (iii) the loss does not extend for a period of more than two (2) consecutive Football Seasons; and (iv) the loss does not occur more than once in any period of five (5) consecutive Football Seasons.

5.2 Shared Parking. The parties acknowledge that on some occasions, other events may be scheduled at the OACC Complex on the same day as a Football Event (such events being referred to as "Conflicting Events"). It is understood and agreed that when there is a Conflicting Event the Parking Area will be shared by persons attending the Football Event and the Conflicting Event; provided, however, that at least Parking Capacity will be made available for parking by persons attending the Football Event. Events scheduled at the OACC Complex by a professional basketball franchise that is a licensee of Licensor for a term of at least one (1) year shall not constitute a Conflicting Event for the purposes of this Section 5.2. If any such basketball event is scheduled on the same day as a Football Event, Licensor will make Parking Capacity available for parking by persons attending all OACC Complex events and Licensor will provide shuttle transportation and/or alternate transportation to persons attending OACC

Complex events. In the event shuttle transportation is provided to accommodate persons attending OACC Complex events, such shuttle service shall be the sole cost and expense of Licensor, shall not constitute a Football Event Expense as described in Part 9 herein, and shall not constitute a cost of collection as described in Section 8.1 hereof.

5.3 New Parking Facilities. In the event Licensor maintains or increases capacity in the Parking Area or acquires additional capacity in the Parking Area or other areas by constructing improvements or additional parking facilities and/or by purchasing or leasing additional land ("Additional Parking Capacity"), Licensor shall make such Additional Parking Capacity reasonably available for persons attending Football Events on the terms and conditions set forth herein; provided, however, that during each Football Season, East Bay Entities shall be entitled to receive all revenues from such Additional Parking Capacity up to an amount equal to the annual debt service associated with the costs of acquiring, developing, designing, constructing and financing such Additional Parking Capacity. Any revenues from use of such additional parking for Football Events in excess of such debt service amounts shall be distributed in accordance with Section 8.1 herein.

5.4 No License. No part of the Parking Area or any roadway, overpass, or other access point to the OACC Complex ("Access Area"), as shown on Exhibit ____ to this License, is being licensed to Raiders. Licensor, as the operator of the Parking Area and Access Area, shall make the Parking Area and Access Area available for use of persons attending Football

Events as set forth in this Part 5. Use of the Parking Area by persons attending Football Events shall be subject to charges by Licensor, adjusted from time to time, which charges shall be the same as the charges for parking at all other major league sports events at the OACC Complex. Licensor shall use its best efforts to operate the Parking Area and Access Area in an efficient and secure manner and to maintain the Parking Area and Access Area in a first-class state of cleanliness and repair.

5.5 Parking Rights of Raiders. Licensor grants to Raiders at all times during the term of this License the right to park at no charge in a restricted area of the Parking Area designated by Licensor as many as fifty (50) automobiles to be used solely by Raiders' owners, officers and employees, and as many as two hundred fifty (250) automobiles during the period that Raiders has the right to use the OACC Stadium for Football Events pursuant to Part 3, to be used in Raiders discretion, solely by Raiders' owners, officers, employees, and invitees, NFL employees or officials and employees of all media organizations attending the Football Events. Raiders may from time to time request additional parking based on special needs or particular circumstances not otherwise provided for in this Part 5, and Licensor shall make reasonable efforts to comply with such request. Raiders shall be responsible for all costs associated with locating and providing such additional parking, and such costs shall not be Football Event Expenses. Licensor shall be deemed to be reasonably withholding its consent if it rejects a request because such request causes conflicts with other licensees or users of the OACC Complex, because existing

facilities designed to address a particular need are not being fully utilized or because existing traffic patterns in the Parking Area or Access Area will be unreasonably disturbed.

6. LICENSE TERM

6.1 Term. Subject to the terms and condition of the Agreements, the term of this License shall be for twenty-four (24) consecutive Football Seasons commencing with the Commencement Date and ending forty-five (45) days after the last Football Event of Raiders' last Football Season in the OACC Stadium under this License. Raiders shall play all Football Events at the OACC Stadium during such term except as otherwise provided in the Agreements.

6.2 Termination of Master Agreement. Notwithstanding any other provision of this License to the contrary, this License shall terminate without further action or notice by either party upon the termination of the Master Agreement pursuant to Section 8.1 of the Master Agreement.

6.3 Commencement of Raiders' Use. Subject to the provisions of the Master Agreement Raiders, shall commence playing Football Events at the OACC Stadium at the start of the 1992 Football Season. Raiders shall have the right, but not the obligation, to elect in writing as provided in Section 2.7 of the Master Agreement to commence playing Football Events at the OACC Stadium for the 1990 or 1991 Football Season; provided, however, that upon such election the representations and warranties of Raiders contained in the Master Agreement,

including, without limitation, those in Sections 9.1(a)(iv) and 9.1(a)(v) of the Master Agreement, shall be deemed made by Raiders with regard to each such 1990 and 1991 Football Seasons, as the case may be, and the indemnification and contribution provisions of Section 9.1(b) of the Master Agreement shall be applicable in all respects to such representations and warranties..

7. LICENSE FEES

7.1 Licensor's Fees. Following Substantial Completion of the Stadium Capital Improvements, Licensor shall pay Raiders the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) per year for Licensor's use of Stadium Capital Improvements for all non-Football Events. Licensor shall commence paying such fees on the July 1 following Substantial Completion of such Stadium Capital Improvements. Thereafter, Licensor shall pay annually the fees due hereunder on each successive July 1 during the term of this License.

7.2 Raiders' Fees. Raiders shall not pay license fees for Raiders' use of the OACC Stadium.

8. CONCESSIONS

8.1 Food, Beverage and Parking. Raiders shall be entitled to receive one hundred percent (100%) of Net Food and Beverage Concession Revenue derived from the sale of food and beverages at Football Events. Except as provided in Section 5.3 herein, Raiders shall be entitled to receive all

revenue, after costs of collection, from vehicle parking in the Parking Area during Football Events. All such revenues shall be collected by Licensor on behalf of Raiders and shall be paid by Licensor to Raiders upon receipt by Licensor. When vehicle parking in the Parking Area occurs during a use of the OACC Stadium or the OACC Complex by Raiders and other licensees or users, Licensor shall allocate the revenue derived from such vehicle parking among Raiders and such other licensees or users, in a fair and equitable manner. A copy of the accounting delivered to Licensor by Licensor's concessionaires from time to time shall promptly be given to Raiders by Licensor. Raiders may demand that Licensor exercise Licensor's audit or examination rights under its concession agreement(s) once with respect to any given Football Season in the name of Licensor (but for the benefit of Raiders) and provide Raiders in writing with the results of such audit or examination; provided that Raiders shall bear one-half (1/2) of the expense of each such audit or examination. In the event Licensor exercises its audit or examination rights at its own election, Licensor shall provide Raiders with a written copy of the results of such audit or examination at no cost to Raiders. Food and beverage services provided at Football Events shall be of a level of quality and service that is at least as high as the highest levels provided at other professional football stadia in the United States and at prices competitive with those charged for comparable services in such other professional stadia; provided, that such prices shall be adjusted to reflect the geographical differences in the costs of providing such quality and services when measuring their competitiveness with the prices charged in other stadia.



8.2 Novelties and Souvenirs. Raiders shall be entitled to receive one hundred percent (100%) of the revenue derived from the sale of souvenirs, novelties, and similar items relating to football including, but not limited to programs, at or around the OACC Stadium on the date of Football Events; provided, that Raiders shall not be entitled to receive any revenue derived from sales of souvenirs, novelties, programs and similar items at the OACC Complex at any time by other licensees of Licensor. Licensor agrees that it will not itself sell souvenirs, novelties, programs and similar items at the OACC Complex on the date of Football Events. Raiders alone shall be entitled to select all sales concessionaires for such items; provided, that such concessionaires at all times shall not be considered employees or independent contractors of Licensor, Licensor shall have no responsibility for such concessionaires in their capacity as employees or independent contractors and Raiders shall notify such concessionaires of the non-responsibility of Licensor. Nothing in this Section 8.2 is intended to create any third party reliance between Licensor and any third party or Raiders and any third party.

8.3 Consultation. Licensor agrees to consult with Raiders concerning and prior to the selection of Licensor's food and beverage concessionaire(s) following the expiration or other termination of Licensor's current food and beverage concession agreement(s).



9. FOOTBALL EVENT EXPENSES

9.1 General. Subject to the Reimbursement Maximum provided for in Section 9.3 below, Raiders shall reimburse Licensor for all Football Event Expenses of each Football Event during the term of this License. Raiders shall pay all amounts due as Football Event Expenses to Licensor within five (5) working days of Licensor's delivery to Raiders of an accounting for such amounts due.

9.1.1 Football Event Expenses shall mean generally:

- (i) Those expenses specifically defined as such in this License;
- (ii) Licensor's direct costs incurred in placing the OACC Stadium and OACC Complex in a condition reasonably required for the playing of Football Events;
- (iii) Licensor's direct costs incurred in cleaning the OACC Stadium and OACC Complex following Football Events; and
- (iv) A reasonably allocated portion of Licensor's indirect costs, e.g., general and administrative and overhead expenses, incurred in connection with Football Events.

9.1.2 Notwithstanding Section 9.1.1 above, Football Event Expenses shall not include costs incurred in connection with or associated with the following items, and in all events costs incurred in connection with or associated with the following items shall be paid by Raiders:

- (i) Coaches headsets and microphones (excluding required Hook-ups);
- (ii) Towels, drinks, food and ice in locker rooms;
- (iii) Game programs;
- (iv) Game officials;
- (v) Statistics crew;
- (vi) Chain crew;
- (vii) Food for members of the press;
- (viii) Press credentials;
- (ix) Flip cards;
- (x) Ring-down phones and all telephone, teletype, computer, telecopier, television, radio and similar communications equipment (excluding required Hook-ups) and services

used by Raiders unless such items are specifically required to be provided by other licensors or landlords of teams in other NFL stadia;

- (xi) Ball boys;
- (xii) Spotters;
- (xiii) Color guard;
- (xiv) Field Band
- (xv) Pre-game or halftime shows;
- (xvi) National Anthem singers;
- (xvii) All janitorial service for and equipment, furniture and fixtures to be located in the Raider Room and the Exclusive Area;
- (xviii) All extraordinary items specifically and specially requested by Raiders if such item is not typically provided for the playing of Football Events by licensors or landlords to teams in other NFL stadia; and
- (xix) All items specifically designated as not being Football Event Expenses in this License.

9.2 Diamond Vision System. The Diamond Vision System is owned and operated by a party that is not a party to this License. Raiders shall elect in writing on or prior to March 1 immediately preceding the 1992 Football Season or the June 1 immediately preceding the commencement of any Football Season prior to the 1992 Football Season, one of the following mutually exclusive methods for use and operation of the Diamond Vision System:

(a) Raiders shall stipulate that the cost of the use and operation of the Diamond Vision System for Football Events is a Football Event Expense. In such event Raiders shall reimburse Licensor for the use and operation of the Diamond Vision System as a Football Event Expense subject to the Reimbursement Maximum, and Licensor shall receive any and all revenues derived from the use and operation of the Diamond Vision System including advertising revenues; provided, however, that Licensor shall consult with Raiders regarding noncompetition commitments of Raiders; or

(b) Raiders shall stipulate that the cost of the use and operation of the Diamond Vision System for Football Events is not a Football Event Expense. In such event Raiders shall directly pay to the owner of the Diamond Vision System all costs attributable to and Raiders shall receive any and all revenues derived from the use and operation of the Diamond Vision System; provided, however, that Raiders shall honor any noncompetition commitments of the Athletics or East Bay Entities.

9.3 Limitation. The amount payable by Raiders to Licensor as reimbursement of Football Event Expenses pursuant to Section 9.1 or 9.2(a) above shall be limited to Fifty Thousand Dollars (\$50,000.00) for each Football Event during Raiders first Football Season during the term of this License ("Reimbursement Maximum"). For each Football Season thereafter the Reimbursement Maximum shall be adjusted upward to account for price fluctuations based upon the Bay Area Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84 = 100).

9.4 Additional Expenses. The Reimbursement Maximum shall only apply to Football Event Expenses as defined and as limited by this License.

10. RAIDERS' COVENANTS

10.1 Football Events. Raiders agrees to play and cause to be played in the OACC Stadium all of Raiders' Football Events for each Football Season during the term of this License.

10.2 National Football League Franchise. Raiders shall at all times during the term of this License maintain and operate a valid NFL franchise. No change in the rights and privileges of Raiders as an NFL member team shall relieve Raiders of its obligations under this License Agreement. Except as may be authorized otherwise in this License or the Master Agreement, Raiders shall not permit or cause to occur during the period commencing with the execution of this License

and ending with the expiration of its term any event that may result in the transfer of its Franchise or any Football Event to any other city or location or do or fail to do anything which would cause Raiders' right to play professional football in the OACC Stadium to be lost, impaired or transferred to any other city or location; provided, that nothing in this Section 10.2 shall prohibit Raiders from discussing, planning or doing related acts in connection with determining the location of its NFL Franchise following the term of this License.

10.3 Name And Operation. During the term of this License, Raiders' professional football team shall be named the Oakland Raiders, or such other name as shall be selected by Raiders, which, in any event, shall contain the name "Oakland." Raiders agrees to use its best efforts to operate its professional football team at a level consistent with other member teams of the NFL.

10.4 Other Tenants or Raiders. Raiders at all times will exercise its good faith and best efforts in working with other licensees of Licensor.

11. RADIO AND TELEVISION

11.1 Radio. Raiders shall have the right to broadcast and disseminate by radio or telephone or other method of transmission or communication, aural reports of all or any part of Football Events and to retain all compensation realized therefrom.

11.2 Television. Raiders shall have the right to broadcast and disseminate by means of VHF or UHF, cable, microwave or satellite transmission, or any other method of free to viewer or pay television all Football Events or to contract for such broadcasting or dissemination and to retain all compensation realized therefrom.

11.3 Away Games. Raiders shall have the right to broadcast and disseminate reports of all of Raiders' games played away from the OACC Stadium and retain all revenues derived therefrom.

11.4 Identification. To the extent that Raiders is able to require that the name and location of the OACC Stadium be announced during radio and television (network, cable, national, local or otherwise) broadcasts of Football Events, Raiders shall require that the name and location of the OACC Stadium be announced at least three (3) times during each such broadcast.

12. ADVERTISING

12.1 Electronic Message Board. Throughout each Football Season and for a reasonable period prior to the commencement of the ensuing Football Season, Licensor shall display on the electronic message board located adjacent to the Nimitz Freeway that the OACC Stadium is the home of the Oakland Raiders. During each Football Season, Licensor shall display on the electronic message board the date, time and opponent for the next Football Event.

13. OPERATION OF STADIUM

13.1 Equipment. Licensor shall provide the equipment and furnishings required in the OACC Stadium for the playing of Football Events by Raiders in accordance with NFL standards, including but not limited to goal posts in position, field markings, down markers, field benches, tables and chairs, game and 45-second clocks, telephone and other electrical hook-ups between the field and coaches boxes ("Hook-ups") and all other special equipment usually provided for the performance of NFL games. Licensor shall provide other capital equipment and Hook-ups for the playing of Football Events that are typically provided by licensors or landlords to teams in other NFL stadia. Licensor shall provide a first-class public address system (which in no event shall be construed to include the Diamond Vision System), lighting sufficient for color television broadcasts of Football Events, the current press box area until such time as a new press box area is constructed as part of the construction of Stadium Capital Improvements and the furniture and furnishings deemed appropriate by Licensor for the common areas, home and visiting team locker rooms, press lounge and the current press box area(s), referee's room, and the City of Oakland, Peralta and County of Alameda Rooms. Raiders shall provide all equipment, furniture and furnishings to be located in the Raider Room and the Exclusive Area and any equipment, furniture and furnishings in the home team locker room in addition to or in place of equipment, furniture and furnishing of the type and quality provided for the visiting team locker room. Licensor and Raiders each shall maintain all equipment, furniture and furnishings provided by each of them,

respectively, in a clean and orderly condition and in a first-class state of repair.

13.1.1 Party Responsible for Payment. Except as otherwise provided in this License the party responsible for the payment of all or a portion of the costs of such facilities, equipment or services shall be determined as follows:

- (i) If an expense constitutes a Football Event Expense within the meaning of Section 9.1 or as reasonably agreed by Licensor and Raiders, it shall be paid by Licensor and reimbursed by Raiders subject to the Reimbursement Maximum; and
- (ii) If an expense is incurred in connection with, or is associated with or is substantially similar to an item specifically excluded as a Football Event Expense pursuant to Section 9.1.2 or any other provision of this License, it shall be paid in full by Raiders.

13.2 Utilities. Licensor shall provide all heat, electricity, water, gas, sewage, scavenger services and janitorial services required for the use of the OACC Stadium by Raiders and the cost and expense of such items shall be a Football Event Expense. Raiders shall provide at its sole expense all telephone, teletype, computer, telecopier, television, radio and similar communication services used by

Raiders and such expense shall not constitute a Football Event Expense. Licensor shall maintain the light standards and lighting fixtures and elements used to light the playing field.

13.3 Personnel. Licensor shall provide all janitorial services reasonably required to clean up all areas of the OACC Stadium, Parking Area and Access Area used by Raiders or Raiders' attendees before and after Football Events. Licensor shall provide all personnel required for Football Events, including ticket sellers, ticket takers, ushers, security and traffic officers, janitors working during an event, laborers, engineers, matrons, nurses and supervisors. The number and qualifications of personnel required for each game shall be established by Licensor based on Licensor's estimate of expected attendance. Licensor shall consult with Raiders on the adequacy of the number and qualifications of the personnel provided by Licensor at Football Events. Licensor shall charge Raiders as a Football Event Expense for the services of all date of event personnel at the labor rate uniformly charged by Licensor to all licensees or users of the OACC Stadium. If the Parking Area and Access Area are used at the same time by Raiders and other licensees or users of the OACC Complex, Licensor shall allocate the cost of janitorial and other services associated with such uses in a fair and equitable manner between the use by Raiders and such other licensees or users. Raiders shall provide a public address announcer and game clock operators. The scoreboard, message board and Diamond Vision System operators, and the use and responsibility for cost of such systems shall be determined pursuant to Section 9.2 herein.

13.4 Playing Field. Licensor shall provide qualified personnel prior to and during the Football Season to put the playing field into a condition meeting NFL standards and a condition otherwise reasonably acceptable to Raiders for the playing of Football Events, to maintain such condition throughout the Football Season and to allow for the conversion of the playing field from a configuration suitable for the playing of professional baseball to a configuration suitable for the playing of professional football and vice-versa within a period of eight (8) hours. Raiders shall pay all expenses incurred by Licensor to prepare and maintain the playing field throughout the Football Season for use by Raiders. Raiders shall pay all costs of converting the field from a baseball configuration to a football configuration and the costs of converting the playing field to a football configuration and preparing it for individual uses by Raiders shall constitute Football Event Expenses and shall be reimbursed by Raiders in accordance with Part 9 of this License. [OPEN ITEM -- FOOTBALL EVENT EXPENSE]

14. REPAIRS AND ALTERATIONS

14.1 Repairs. Licensor, at its sole expense, shall do all acts required to maintain the OACC Stadium, the special function areas, the Parking Area, Access Area and other public areas outside the OACC Stadium as first-class facilities in a clean, orderly and aesthetically pleasing manner and to maintain all structures, equipment and fixtures located in the OACC Stadium, including Stadium Capital Improvements in a good state of repair. East Bay Entities shall be entitled to enter

upon and perform all necessary maintenance and repairs of Stadium Capital Improvements.

14.2 Alterations. Subject to the rights and duties of Raiders pursuant to Section 3.4 and Article 4 of the Master Agreement or any other provision of this License, Licensor shall have the right, at its expense, to make such alterations or additions to the OACC Stadium and the structures, equipment and fixtures located therein, not owned by Raiders, as Licensor deems appropriate and the right to make alterations and additions to Stadium Capital Improvements other OACC Stadium real property owned by Raiders, and any other property of Raiders affixed to the OACC Stadium with Raiders consent, which consent shall not be unreasonably withheld or delayed; provided, that Licensor, without the prior written consent of Raiders, which consent shall not be unreasonably withheld or delayed, shall not materially change the arrangement of or materially decrease or increase the number of seats in the OACC Stadium existing immediately prior to the change or make any change in any other area of the OACC Stadium used by Raiders that would materially and adversely affect the use of the area by Raiders.

14.3 Performance Of Work. Licensor and its agents may perform any of the work described in Sections 14.1 and 14.2 above throughout the OACC Stadium at any time during a Football Season or otherwise. Any work performed during a use by Raiders of the OACC Stadium, except for work required to remedy an emergency situation threatening or causing material damage to persons or property, shall be performed in a manner that



reduces as much as reasonably possible any interference with Raiders' use of the OACC Stadium; provided, that in no event shall such work interfere to such an extent that Raiders is unable to play a Football Event or conduct a prior scheduled related event.

14.4 Modernization Fund Improvements. Licensor or Raiders, as the case may be, shall grant to the other such licenses and other rights as are reasonably necessary in order to allow for the completion of any Modernization Project and disbursement of the Modernization Fund as such are contemplated by Section 3.4 of the Master Agreement.

15. ASSIGNMENT

15.1 Limitation. Raiders shall not directly or indirectly assign or transfer any of its rights and interests or delegate any of its duties and responsibilities under this License to any other person or entity other than the NFL, without the prior written consent of Licensor, which consent may not be unreasonably withheld or delayed. Any assignment in violation of this Section 15.1 shall be void and without effect. For this purpose, the following shall be deemed to be indirect transfers:

(a) Any transfer of a general partnership interest in Raiders from the date of this License, prior to and during any period that Article 6 of the Master Agreement is applicable, which in the aggregate exceeds fifty percent (50%) of all general partnership interests;

(b) Any transfer from the date of this License, prior to and during any period that Article 6 of the Master Agreement is applicable, of an ownership interest in a general partner of Raiders which in the aggregate exceeds fifty percent (50%) of all such ownership interests;

(c) Any dissolution, merger, consolidation or reorganization of the general partner of Raiders, prior to and during any period that Article 6 of the Master Agreement is applicable, (unless at least fifty percent (50%) of the interest in the successor-in-interest of such general partner is owned or controlled by the present owner of the general partner of the Raiders); or

(d) Any change in the legal form of Raiders (unless at least fifty percent (50%) of the interest in the resulting entity is owned or controlled by the general partner of Raiders or the present owner of the general partner of the Raiders);

For this purpose, the following shall not be deemed to be indirect transfers:

(a) Any transfers of limited partnership interests in Raiders;

(b) Any transfer from the date of this License of an ownership interest in a general partner of Raiders which in the aggregate is less than fifty percent (50%) of all such ownership interests;

(c) Any dissolution, merger, consolidation or reorganization of the general partner of Raiders where at least fifty percent (50%) of the interest in the successor-in-interest of such general partner is owned or controlled by the present owner of the general partner of the Raiders;

(d) Any change in the legal form of Raiders where at least fifty percent (50%) of the interest in the resulting entity is owned or controlled by the general partner of Raiders or the present owner of the general partner of the Raiders;

(e) Any transfer resulting upon the death of a general partner of the Raiders or owner of an interest in the general partner of the Raiders; and,

(f) Any transfer to or interest for the benefit of the spouse and/or descendants of such general partner of the Raiders or owner of an interest in the general partner of the Raiders.

15.2 Procedure. In seeking the approval of Licensor to any assignment, Raiders shall deliver to Licensor the following information regarding the proposed assignee:

15.2.1 The legal form of the entity, along with copies of Articles and Bylaws of any corporation, partnership agreements and certificates of any partnership, or joint venture agreements, as the case may be.

15.2.2 A complete list of all principal officers, partners or owners holding more than a ten percent (10%) ownership interest, and a detailed biographical information about them.

15.2.3 Financial statements of the assignee for the last three (3) years, prepared by a certified public accountant reasonably acceptable to Licensor.

15.2.4 Copies of those portions of any agreement between Raiders and the proposed assignee relating to the proposed assignment.

15.2.5 A detailed financial plan and projection prepared by a qualified person or entity reasonably acceptable to Licensor showing the projected financial position and results of projected operations of the assignee for a reasonable period, not exceeding the three (3) years following any assignment.

15.3 Approval. Any approval of a proposed transfer or assignment by Licensor required hereunder may be made subject to Raiders not being in default under this License at the time the assignment is to become effective, to Raiders or the assignee paying all reasonable legal and accounting fees and all costs reasonably incurred by Licensor in giving the approval, and to an assignee assuming all the obligations of Raiders under the Agreements in a form reasonably acceptable to Licensor.

15.4 Discharge of Raiders. Upon completion of an approved assignment in accordance with this Part 15, Raiders shall be released and discharged from any further liability to Licensor under this Raiders.

16. DAMAGE AND DESTRUCTION

16.1 Major Damage - Repairable. Subject to Sections 8.1(d)(ii) and 8.1(e)(ii) of the Master Agreement, in the event there is damage to or destruction of the OACC Stadium such that (i) Raiders cannot reasonably use the OACC Stadium for Football Events ("Major Damage"); (ii) there are insurance proceeds or other funds available to Licensor to pay for eighty percent (80%) or more of the cost of repairing the damage; (iii) such repairs can be performed under applicable laws and other governmental rules and ordinances; and (iv) the work can be reasonably completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only) after the date of the damage, then this License shall remain in full force and effect. Licensor shall collect and expend all funds required to repair the damage at the earliest possible date. In the event that the repairable damage occurs to the Stadium Capital Improvements following the Completion Date thereof or to other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Stadium, and Raiders is the recipient of insurance proceeds or other funds with respect to such damage, then Raiders shall immediately pay such insurance proceeds or other funds to Licensor in order to allow Licensor to proceed with repairs pursuant to its obligations

under the OACC Stadium Agreement. Licensor shall thereafter expend such insurance proceeds or other funds and all remaining amounts required to repair the damage at the earliest possible date. If Raiders has paid such insurance proceeds or other funds to Licensor and such proceeds exceed the amount required to be expended to repair the damage, any excess funds shall be paid by Licensor to Financing to pay amounts then due Financing by Raiders under the OACC Project Loan and the Executive Suites Project Loan as such are defined in the Loan Agreement and thereafter excess amounts, if any, will be returned to Raiders. During the period that such damage is being repaired and Raiders cannot reasonably use the OACC Stadium for Football Events, Raiders shall have the right in accordance with the Master Agreement to play Football Events in any other stadium located in the principal marketing area of Raiders; provided, that if no such stadium(s) is reasonably available in Raiders' principal marketing area, Raiders may play Football Events in any available stadium that is as close to Raiders principal marketing areas as is reasonably possible. Raiders shall recommence playing Football Events in the OACC Stadium from the date specified by Licensor in a written notice delivered at least twenty (20) days before the first Football Event to be played in the OACC Stadium stating that the repair work has been completed to an extent such that the OACC Stadium can reasonably be used for Football Events; provided, that in no event shall Licensor be required to so notify Raiders for or shall Raiders be required to return to the OACC Stadium other than at the start of a Football Season.

16.2 Major Damage Not Repairable. In the event there is (i) Major Damage to the OACC Stadium; (ii) insurance proceeds or other funds are not available in an amount equal to at least eighty percent (80%) of the cost of repairing the damage; (iii) the repairs cannot be performed under applicable governmental laws, rules and regulations; or (iv) the work cannot be reasonably completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only) after the date of the damage, Licensor, for a period of thirty (30) days after the facts regarding the extent of damage, lack of insurance proceeds or other funds or prohibition by governmental laws, rules and regulations become known to Licensor, shall have the right, exercisable by written notice to Raiders within the 30-day period, to terminate this License or to keep this License in force and proceed to repair the damage at Licensor's cost. If Licensor fails to notify Raiders of its election within the 30-day period, Licensor shall be deemed to have terminated the License. If Licensor elects to repair the damage and the work cannot reasonably be expected to be completed or in fact is not completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only) after the date of the damage, Raiders shall have the right, within thirty (30) days after receiving notification from Licensor of Licensor's election to repair the work (if the repairs cannot reasonably be expected to be completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only)) or within thirty (30) days of Raiders becoming aware (if the repair work will not be

completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only)) that the work will not be completed by the commencement of the third (3rd) Football Season (counting a partial season as a Football Season for purposes of this provision only), to terminate this License without payment of amounts set forth in Section 6.2(c) herein by written notice to Licensor. If Licensor elects to repair the damage, then the provisions of Section 16.1, dealing with repairs, and Section 16.3, dealing with the obligations of Raiders during and after the repairs are made, shall apply. If Licensor elects to repair the damage, and if such damage has occurred to Stadium Capital Improvements following the Completion Date thereof or to other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Stadium, and Raiders is the recipient of insurance proceeds or other funds with respect to such damage, then Raiders shall immediately pay such proceeds or other funds to Licensor in order to allow Licensor to proceed with repairs pursuant to its obligations under the OACC Stadium Agreement, and Licensor shall expend such proceeds or other funds and all remaining amounts required to make such repairs. If Licensor does not elect to repair the damage and if such damage has occurred to Stadium Capital Improvements after the Completion Date thereof or to other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Stadium, and Raiders is the recipient of insurance proceeds or other funds with respect to such damage, then Raiders shall immediately pay such proceeds or other funds to Financing up to an amount equal to the unpaid balance of the OACC Project Loan

and the Executive Suite Project Loan as such are defined in the Loan Agreement.

16.3 Less than Major Damage. In the event there is damage to or destruction of the OACC Stadium but there has not been a material reduction of seating and/or Parking Capacity so that Raiders can reasonably continue to use the OACC Stadium for Football Events, Licensors at its cost shall promptly repair the damage to the extent possible under applicable laws and shall do all acts required to protect users of the OACC Stadium from any hazards created by the area damaged or the repair work. If such damage occurs to Stadium Capital Improvements following the Completion Date thereof or to other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Stadium, and Raiders is the recipient of insurance proceeds or other funds with respect such damage, then Raiders shall immediately pay such insurance proceeds or other funds to Licensors in order to allow Licensors to proceed with repairs pursuant to its obligations under the OACC Stadium Agreement. Licensors shall thereafter expend such insurance proceeds and other funds and all remaining amounts required to repair such damage by the earliest possible date. If Raiders has paid such insurance proceeds or other funds to Licensors and such proceeds exceed the amount required to be expended to repair the damage, any excess funds shall be paid by Licensors to Financing to pay amounts then due Financing by Raiders under the OACC Project Loan and the Executive Suites Project Loan as such are defined in the Loan Agreement and thereafter excess amounts, if any, will be returned to Raiders. During the period of any such repairs, Licensors shall continue to perform

all of its obligations hereunder, and, to the extent areas of the OACC Stadium used by Raiders are affected, Licensor shall provide temporary additional areas in the OACC Stadium or the OACC Complex where Raiders can continue to perform its activities to the extent such area are available. In the event Licensor is unable to reasonably provide sufficient temporary areas, it shall be Raiders' responsibility, at Raiders' expense to obtain the use of such facilities as are required outside the OACC Complex in accordance with the Master Agreement.

16.4 Damage Liability. Except as provided in Section 17.4 below, Licensor's obligation to repair any damage shall not relieve Raiders of the liability to pay to Licensor, whether or not Licensor is required to repair the damage, the cost of repairing any damage caused by the negligent or wrongful act or omission of Raiders, its owners, employees, agents, contractors and any other person who is an invitee or guest of Raiders.

16.5 Other Property Owned by Raiders. Except as otherwise provided in this License, Licensor shall have no liability for any cost or expense of any property owned by Raiders and located at the OACC Complex (other than Stadium Capital Improvements following the Completion Date) that is damaged or destroyed, unless such damage or destruction was caused by the negligent or wrongful act or omission of East Bay Entities, its employees, agents, contractors and any other person who is an invitee or guest of East Bay Entities.

17. INSURANCE

17.1 Public Liability for Football Events. Licensors shall take out and maintain in full force and effect a comprehensive public liability insurance policy or policies in a form and with a company or companies reasonably acceptable to Raiders, insuring Raiders, and naming the City, the County and Licensors as additional insureds with respect to dates of Football Events, only against all direct or contingent loss or liability for damages for personal injury or bodily injury, death or property damage occasioned by reason of all operations of or under the control of Licensors or Raiders (including automobile non-ownership) upon, in or around the OACC Complex. Licensors shall provide Raiders with a copy or copies of such policy or policies in each instance where Raiders is the named insured. Said policy or policies shall provide for a Combined Single Limit of Two Million Dollars (\$2,000,000.00) for personal injury or bodily injury or death and for damage to property, and will provide for deductibles of Five Thousand Dollars (\$5,000.00) for each claim. All deductibles payable under such policy or policies shall be paid equally by Licensors and Raiders and shall not constitute a Football Event Expense. Said policy or policies shall stipulate that any public liability and property damage insurance carried by the City, County and/or Licensors shall be excess and not contributory insurance. Said policy or policies shall contain a standard cross-liability endorsement and an endorsement that a written notice of cancellation or of any material change in said policy or policies shall be delivered to Raiders, ten (10) days in advance of the specified date for cancellation or material

change. The cost and expense of Licensor of said policy or policies shall be a Football Event Expense, reimbursed by Raiders, subject to the Reimbursement Maximum.

17.2 Raiders as Additional Insured

(a) Licensor shall at all times take out and maintain in full force and effect a comprehensive public liability insurance policy or policies insuring Licensor, and naming the City, the County and Raiders (in Raiders' capacity as property owner) as additional insureds as their interests may appear against all direct or contingent loss or liability for damages for personal injury or bodily injury, death or property damage occasioned by reason of all operations of or under the control of Licensor or Raiders (including automobile non-ownership) upon, in or around OACC Complex unless such death, injury or damage results from a willful or reckless act or omission of Raiders, its owners, employees or agents. Licensor shall provide Raiders with a copy or copies of such policy or policies in each instance where Raiders is the named insured. Said policy or policies shall provide minimum liability limits of Fifty Million Dollars (\$50,000,000.00) for personal injury or bodily injury or death.

(b) Licensor shall at all times take out and maintain in full force and effect a comprehensive casualty and property insurance policy or policies insuring Licensor and naming the City, County and Raiders as additional insureds as their interest may appear against all direct or contingent loss or liabilities caused by or incurred as a result of the partial

or complete destruction of Stadium Capital Improvements or other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Stadium. Licensor shall provide Raiders with a copy or copies of such policy or policies in each instance where Raiders is named as an additional insured. Said policy or policies shall provide for a minimum amount of coverage equal to the then current replacement cost of Stadium Capital Improvements or other OACC Stadium real property, improvements or fixtures construed by or owned by Raiders.

(c) Each policy or policies described in this Section 17.2 may provide for deductibles or self-insurance reserves of up to One Hundred Thousand Dollars (\$100,000.00) for each claim. Said policy or policies shall stipulate that any public liability and property damage insurance carried by the City, County and/or Licensor shall be excess and not contributory insurance. Said policy or policies shall contain a standard cross-liability endorsement and an endorsement that a written notice of cancellation or of any material change in said policy or policies shall be delivered to Raiders, ten (10) days in advance of the specified date for cancellation or material change. Licensor shall require all users of the OACC Stadium to name Raiders as an additional insured on all policies said user provides to Licensor for the use of the OACC Stadium.

17.3 Earthquake Coverage. Nothing in this Part 17 shall require Licensor or Raiders to take out or maintain in full force or effect any insurance policy or insurance policies

insuring against damage to the OACC Stadium or Stadium Capital Improvements caused by earthquake. Notwithstanding the preceding sentence, if Licensor shall elect to take out and maintain in full force and effect such an earthquake policy or such earthquake policies, Licensor shall name the City and County as additional insureds fully and Raiders as an additional insured with respect to Stadium Capital Improvements only. Licensor shall be solely responsible for the cost of any such earthquake coverage.

17.4 Waiver of Subrogation. Licensor hereby releases Raiders, and Raiders hereby releases Licensor, from any and all claims or demands for damages, loss, expense or injury to the OACC Stadium, or to the furnishings and fixtures and equipment, or inventory or other property of either Licensor or Raiders in, about or upon the OACC Stadium, as the case may be, which is caused by or results from perils, events or happenings which are the subject of insurance carried by the respective parties and in force at the time of any such loss; provided, however, that such waiver shall be effective only to the extent that it does not affect the enforceability of the insurance coverage covering such loss and shall be effective only as to the extent of the insurance coverage.

18. TAXES

18.1 Existing Taxes. East Bay Entities will pay prior to delinquency any tax imposed on the right of Raiders to own or occupy the Stadium Capital Improvements and/or the OACC Stadium or any such tax based upon the value of the rights of

ers to own or occupy the same. Raiders shall be solely responsible for payment of any income taxes and any other taxes imposed by any governmental agency based on the ownership or operation of its football franchise including but not limited to the City of Oakland Business Tax (except under the circumstances and to the extent provided for in Section 18.2 below) and taxes based upon the sale of souvenirs, novelties or other property as described in Part 8 above.

18.2 Future Taxes. In the event that a tax which is not in effect as of the date of this License is imposed by any of the East Bay Entities on admissions or the right to attend events including Football Events, or a tax which is specifically directed at the operation of sports franchises or the ownership or use of the OACC Complex other than an income or franchise tax or tax imposed on net income is imposed by any other level of government at the request of East Bay Entities, the amount of such tax shall be paid by East Bay Entities. In the event that there is an increase in the rate of any tax imposed by East Bay Entities or an increase by any other level of government at the request of East Bay Entities over the time in effect as of the date of this License, and such increase or new tax is specifically directed at the operation of sports franchises or the ownership or use of the OACC Complex other than an income or franchise tax or tax imposed on net income, East Bay Entities shall pay the full amount of such increase or new tax directly to the taxing authority or reimburse Raiders for the full amount of such taxes attributable to such increase in rates if Raiders elects or is required to pay such tax directly.

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under this License until such time as this License is either rejected or assumed by order of the United States Bankruptcy Court; (b) to pay as reasonable compensation for use and occupancy of the OACC Stadium any amounts due pursuant to this License; (c) to reject or assume this License within sixty (60) days of the filing of such petition under Chapter 7 of the Bankruptcy Code or within one hundred twenty (120) days (or such shorter term as Licensor, in its sole discretion, may deem reasonable so long as notice of such period is given) of the filing of a petition under any other Chapter of the Bankruptcy Code; (d) to give Licensor at least forty-five (45) days prior written notice of any abandonment of the OACC Stadium (any such abandonment to be deemed a rejection of this License) (e) to do all other things of benefit to Licensor otherwise required under the Bankruptcy Code; (f) to be deemed to have rejected this License in the event of the failure to comply with any of the above; and (g) to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing all of the above, waiving notice and hearing of the entry of same.

21. DEFAULT BY RAIDERS

21.1 Acts Constituting Defaults. In addition to the events specified as a default under this Section 21.1 or elsewhere in this License, the failure of Raiders to perform each covenant made under this License, including any abandonment of the OACC Stadium by Raiders, shall constitute a default hereunder and all such defaults shall also be considered defaults under the Master Agreement and other Related Agreements. However, Licensor shall not commence any

action as a consequence of a default until the period of grace with respect thereto has elapsed, provided that such period of grace shall be in addition to the period during which Raiders may cure such default following the delivery of notice pursuant to California Code of Civil Procedure Section 1161.

21.1.1 Subject to the limitation expressed in Subparagraph 21.1.3, Raiders shall have a period of ten (10) working days from the date of written notice from Licensor within which to cure any default in the payment of any monetary obligations of Raiders under this License.

21.1.2 Raiders shall have a period of sixty (60) days from the date of written notice from Licensor within which to cure any other default under this License which is capable of being cured; provided, however, that with respect to any default which cannot reasonably be cured within sixty (60) days, the default shall not be deemed to be uncured if Raiders commences to cure within ten (10) working days from Licensor's notice and thereafter prosecutes diligently and continuously to completion all acts required to cure the default.

21.1.3 There shall be no period of grace with respect to any default by Raiders which is not capable of being cured. Licensor and Raiders stipulate that the following defaults are not capable of being cured by Raiders: (i) any unauthorized sale, assignment, mortgage, pledge, hypothecation, encumbrance or other transfer of this License or any interest herein; and (ii) the failure of Raiders to pay any monetary obligation of Raiders hereunder on the due date thereof where

the next-succeeding Football Season, whichever first occurs. If neither Licensor or Raiders elects to terminate, this License shall remain in full force and effect.

22.3 Award. All insurance proceeds or other funds paid in connection with and all proceeds of any award or settlement paid as compensation for the Taking shall be paid to Licensor or paid to Raiders to be paid to Licensor, except that (i) to the extent any portion of the award is for moving or other relocation expenses of Raiders such portion shall be paid to Raiders; and (ii) to the extent any portion of the award is for property owned by Raiders or relates to the value of the unexpired term of this License, such portion shall be paid to Raiders in the amount, if any, which exceeds the amounts of principal and interest then owing on debt issued by East Bay Entities to finance its obligations under the Master Agreement and Loan Agreement.

23. RELATIONSHIP OF PARTIES

Licensor and Raiders are independent contracting parties and no relationship between them as employer and employee, partners, joint venturers or otherwise shall be created by this License Agreement. Licensor shall in no event be responsible or liable for the payment of any contributions or taxes for Social Security, Workmen's Compensation Insurance, Unemployment Insurance, or old age retirement benefits, pensions or annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries or other remuneration paid to persons employed by Raiders for work

performed under the terms of this License and Raiders shall notify all persons its pays remuneration or employs of same. Nothing in this Section 23 is intended to create any third party reliance between Licensor and any third party or Raiders and any third party.

24. NON-WAIVER

No delay or omission to exercise any right or remedy accruing to Licensor or Raiders, respectively, shall impair any right, power or remedy granted to Licensor or Raiders, respectively, or be construed to be a waiver of any similar or subsequent breach or default; provided, that neither party may delay or omit to exercise any right or remedy for a period as would cause the other party to justifiably and detrimentally rely on the fact that such a right or remedy would not be exercised. Any waiver of either party of a breach by the other party shall not be, or construed to be, a waiver of any subsequent breach. No waiver shall be implied and each and every waiver of any kind by Licensor or Raiders, respectively, of any provision or condition of this License must be written and signed by Licensor or by Raiders, respectively.

25. REMEDIES

Notwithstanding anything to the contrary contained in this License, the Master Agreement or any other Related Agreements, in the event of any breach of or default under this License by either party, the services, covenants, and obligations on each party's part to be performed are unique and

sole and exclusive source of recovery against Raiders on any obligation or liability.

26. UNAVOIDABLE DELAYS OR OCCURRENCES

26.1 Description. Subject to the specific conditions hereinafter set forth, neither Licensor nor Raiders shall be obligated to perform any term or condition of this License on its part to be performed and their time of performance shall be extended by the number of days elapsing during the period such performance is prevented by an event of Force Majeure. This License shall not terminate by reason of the occurrence of Force Majeure, irrespective of whether or not the OACC Stadium becomes untenable, except as otherwise provided in this License.

26.2 Effect. Except as otherwise provided in this License, for any period of this License that Raiders is prevented by reason of Force Majeure from playing Football Events in the OACC Stadium in accordance with the schedule of the NFL in any Football Season, Raiders may play Football Events in accordance with the terms of the Master Agreement in any other stadium located in the principal marketing area of Raiders that is reasonably available for use by Raiders, and if no stadium is reasonably available in Raiders' principal marketing area, in an available stadium that is as close to Raiders' principal marketing area as is reasonably possible.

26.3 Right to Use. Licensor shall have, and hereby reserves the right to use the OACC Stadium for any purpose

during any period that Raiders is prevented by Force Majeure from playing Football Events in the OACC Stadium. All revenue received by Licensor during any such period shall be retained by Licensor and Raiders shall not be entitled to any part thereof.

27. BINDING ARBITRATION

27.1 New License Terms. In addition to all other terms set forth in this License, Raiders and Licensor agree to negotiate and bargain with each other in good faith with respect to the terms and conditions of all other subjects normally contained in this type of license agreement. If Raiders and Licensor are not able to agree upon the terms and conditions of these other subjects, they shall jointly submit these terms and conditions to a panel of three (3) arbitrators for binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association who shall be appointed as follows: (i) within ten (10) days, each party shall appoint an arbitrator by written notice to the other party, and (ii) after both arbitrators have been so appointed, they shall within ten (10) days select a third neutral arbitrator. If the arbitrators are unable to agree upon a third arbitrator, the third arbitrator shall be selected by the Chief Judge of the U.S. Court of Appeals for the Ninth Circuit, San Francisco, California. In determining the terms and conditions of the unresolved subjects, the arbitrators may consider (i) the terms and conditions applicable to other NFL franchisees, (ii) the physical capacity of the OACC Complex, (iii) the rights of other licensees to the OACC Complex, (iv) the objective of

providing a high level of service and amenities to Raiders, (v) the interest of spectators in having a modern, efficient, safe, comfortable and convenient stadium in which to view football games, (vi) the cost of providing the disputed item and anticipated revenue therefrom, and how such cost is borne or shared and how such revenue is shared by other NFL football stadia and their NFL licensees, and (vii) any other similar factors. It is understood and agreed that this arbitration provision shall not apply to any dispute or controversy relating to or arising out of the performance or nonperformance of any of the other terms or conditions of this License or any Related Agreements unless mutually agreed to by the parties pursuant to Section 27.2. The parties shall each bear one-half of the costs and expenses of this arbitration, excluding their own costs and expenses, which each party shall bear itself. The arbitration hearing shall take place at Oakland, California, within thirty (30) days of the appointment of the arbitrators, at such time and place as they select. The arbitrators shall give written notice of the time and place of the hearing to both parties at least ten (10) days prior to the hearing. Upon the conclusion of the hearing, the arbitrators shall within ten (10) days execute and acknowledge their decision and deliver a copy to each party. The decision of a majority of the arbitrators shall be binding and conclusive (subject to confirmation pursuant to California Code of Civil Procedure Section 1285 et seq.) and shall not be subject to appeal.

27.2 License Disputes. In the event of a dispute between Licensor and Raiders involving performance under this

EXHIBIT D

SCHEDULE OF LOAN ADVANCES

The following represents a summary of the loan advances to be made by East Bay Entities to Raiders under the Loan Agreement, and is subject to all of the terms and conditions of the Master Agreement and the Loan Agreement. In case of any conflict between this summary and the Loan Agreement, the Loan Agreement shall control.

| <u>Date of Loan Advance</u> | <u>Amount of Loan Advance</u> |
|--|-----------------------------------|
| (1) Upon the execution of the Agreements | \$20,000,000 |
| (2) June 30, 1990 | 11,900,000 |
| (3) July 1, 1990 | 1,100,000 |
| (4) July 1, 1991 | 1,100,000 |
| (5) July 1, 1992 | 10,300,000 |
| (6) July 1, 1993 | 3,100,000 |
| (7) July 1, 1994 | 3,100,000 |
| (8) July 1, 1995 | 3,100,000 |
| (9) July 1, 1996 | 3,100,000 |
| (10) July 1, 1997 | 3,100,000 |
| (11) July 1, 1998 | 3,100,000 |
| (12) July 1, 1999 | 3,150,000 |
| (13) Advances for construction of the Stadium Capital Improvements and purchase and renovation of existing Executive Suites (Estimated): | 49,398,000 |
| (14) Advances for construction of the Permanent Training Facility: | <u>5,000,000</u> |
| Subtotal, including estimated cost of Stadium Capital Improvements: | \$120,548,000 |
| (15) Additional loan advance to Raiders from the proceeds related to the right to name the OACC Stadium as | |

provided in
Section 10.2(a), in an
amount equal to one-third
of all money or the value
of other consideration
received, directly or
indirectly, related to the
right to name the OACC
Stadium in excess of
\$10,000,000, payable at
such time as East Bay
Entities enters into an
agreement related to such
right to name and
discounted to present
value from the date or
dates such consideration
is to be received, at an
annual discount rate of
ten percent (10%):

Amount
Undetermined

Total:

\$121,209,500
(plus
undetermined
amount)

DRAFT

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EXHIBIT E
STADIUM CAPITAL IMPROVEMENT LICENSE AND DESIGN
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License or interpretation of any of its terms and conditions, Raiders and Licensor may agree to submit such disputes to arbitration in accordance with the procedure established pursuant to Section 27.1.

28. ACCOUNTING

East Bay Entities agree to permit any person designated by Raiders, at Raiders' expense, to examine the financial records of East Bay Entities pertinent to payments by East Bay Entities under this License to Raiders of revenues received from third parties. If, as a result of such examination, it is determined that the amount of any payment actually made by East Bay Entities to Raiders is less by five percent (5%) or more than the amount which should have been paid, then East Bay Entities shall reimburse Raiders upon demand for the costs of such examination.

29. TICKET INFORMATION

Within thirty (30) days following the conclusion of each Football Season for which it held Marketing Rights under Article 6 of the Master Agreement, East Bay Entities will make available to Raiders, all pertinent information concerning the identities, addresses and other information concerning the holders of Viewing Rights for the previous season. Upon termination of this License, if Raiders relocates its NFL franchise outside of Northern California, Raiders will make available to East Bay Entities all such information it

possesses with respect to any period for which it held Marketing Rights pursuant to Article 6 of the Master Agreement.

30. CALIFORNIA

This License is entered into in the State of California and shall be interpreted and enforced in accordance with the laws of the State of California.

31. HEADINGS

All headings are inserted herein only as a matter of convenience and for reference and in no way are intended to be a part of this License or to define, limit or describe the scope or intent of this License Agreement or the particular paragraphs to which they refer.

32. INTEGRATION

The Agreements constitute the sole and entire agreement between East Bay Entities and Raiders with respect to the matters contemplated thereby, and no prior agreements or understandings between East Bay Entities and Raiders pertaining to such matters shall be effective for any purpose. No alteration, amendment or modification of any of the Agreements shall be valid unless by an instrument in writing executed by each party with the same formality as such Agreement. None of the Agreements, nor any provision thereof can be changed, modified or abandoned, in whole or in part, except by

instrument in writing, and no subsequent oral agreement shall have any validity.

33. TIME AND NOTICE

33.1 Time. Time is of the essence of this License and all of its provisions.

33.2 Form. Any notice required or permitted under this License shall be in writing and shall be delivered either personally to the office of the party, to an officer of the party, or by Federal Express or similar courier service guaranteeing overnight delivery, or by depositing same in the United States mail, postage prepaid, registered or certified, return receipt requested, addressed to the intended recipient at the address set forth below, or at such other address as such party has theretofore specified by written notice delivered in accordance with this paragraph:

LICENSOR: Oakland-Alameda County Coliseum
Nimitz Freeway and Hegenberger Road
Oakland, CA 94621

RAIDERS: Los Angeles Raiders
332 Center Street
El Segundo, CA 90245

33.3 Sufficiency of Notice. Any notice delivered by overnight courier shall be deemed delivered one day after

delivery to the courier service, any notice delivered by mail shall be deemed delivered on the earlier of the fifth day following deposit thereof in the United States mail or on the delivery date shown on the receipt prepared in connection therewith.

34. BINDING AND INUREMENT EFFECT

This License, subject to the provisions of Part 15 on assignments, shall bind and inure to the benefit of parties to this License and their respective successors and assigns.

35. PAYMENTS

Any amounts payable under this License shall be paid in lawful money of the United States of America. Any amount due to Licensor or Raiders that is not paid when due shall bear interest from the date due until paid at the maximum legal rate permitted under California law.

36. ATTORNEYS' FEES

In the event that any action or proceeding (including arbitration) is brought to enforce or interpret any term, covenant or condition of this License on the part of Licensor or Raiders, the prevailing party in such action or proceeding (whether after trial or appeal) shall be entitled to recover from the party not prevailing its reasonable attorneys' fees together with all allowable costs.

37. RIGHT OF ENTRY TO EXCLUSIVE AREA

Licensors and Licensors's employees and agents shall have the right to enter the Exclusive Area upon the giving of reasonable notice and during regular business hours to inspect the area, to supply any service Licensors is required to provide, to alter, or repair the areas or the OACC Stadium including locating tools, scaffolds, equipment and other items required for the work to be performed. Licensors shall have a key to unlock all doors leading into the Exclusive Area to exercise its rights under this paragraph.

38. ATHLETIC FACILITIES WARNING

California Civil Code Section 1812.97 provides the following:

WARNING: CALIFORNIA LAW PROVIDES THAT IT IS ILLEGAL TO AID OR ABET IN THE UNLAWFUL SALE, USE, OR EXCHANGE OF ANABOLIC STEROIDS, TESTOSTERONE, AND HUMAN GROWTH HORMONE.

39. COMPLIANCE WITH LAWS

Subject to the provisions hereof, Licensors and Raiders shall each comply with all rules, regulations, ordinances, laws, orders and judgment of any governmental entity and any private entity having jurisdiction over the OACC Complex or Licensors or Raiders, in the performance of their

respective obligations under this License. Raiders shall not create or permit to exist any nuisances or waste of the areas licensed under this License.

DATED: _____.

LICENSOR

OAKLAND-ALAMEDA COUNTY
COLISEUM, INC., a California
nonprofit
corporation

By _____
President

RAIDERS:

LOS ANGELES RAIDERS,
a California Limited Partnership

By _____
a California corporation,
its General Partner

By _____
Its President

EXHIBIT C

LOAN AGREEMENT

by and between

OAKLAND-ALAMEDA COUNTY
COLISEUM FINANCING CORPORATION

and

THE LOS ANGELES RAIDERS

Dated as of _____, 1990

LOAN AGREEMENT
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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of _____, 1990, by and between (i) OAKLAND-ALAMEDA COUNTY COLISEUM FINANCING CORPORATION, a California non-profit corporation, and (ii) the LOS ANGELES RAIDERS, a limited partnership organized and existing under the laws of the State of California.

W I T N E S S E T H:

WHEREAS, Raiders and East Bay Entities have entered into a Master Agreement dated _____, 1990 (the "Master Agreement") and Related Agreements; and

WHEREAS, as part of the Master Agreement, and in consideration of Raiders' undertakings thereunder, East Bay Entities have agreed to make available Project Loans and Operations Loans (as such terms are defined herein) to Raiders, and East Bay Entities have caused Financing to be formed to provide such loans to Raiders; and

WHEREAS, Financing proposes to provide such loans to Raiders upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the respective representations and covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1. DEFINITION OF TERMS. Unless the context or terms of this Loan Agreement clearly indicate otherwise, the definitions contained in Exhibit A to the Master Agreement, as the same may be amended from time to time shall govern the interpretation of capitalized terms

(Draft Feb. 15)

contained herein and such definitions are hereby incorporated by reference.

ARTICLE II THE LOANS

SECTION 2.1. THE OACC PROJECT LOAN. In accordance with the provisions of Section 2.5 and subject to the provisions of Section 2.8, Financing will make available a loan facility in the amount of \$49,398,000, subject to adjustment in accordance with Sections 2.8(A) and 2.9 hereof, to Raiders to finance construction and development of the OACC Project (the "OACC Project Loan"), provided that the maximum amount to be advanced under this Section 2.1 shall be reduced, dollar for dollar, by amounts advanced to Raiders under Section 2.2 and Section 2.7(B). Raiders agrees to use the proceeds of the OACC Project Loan solely to construct the OACC Project and for no other purpose.

SECTION 2.2. THE EXECUTIVE SUITE PROJECT LOAN. In accordance with the provisions of Section 2.5 and subject to the provisions of Section 2.8, Financing will make available a loan facility in the amount of \$49,398,000, subject to adjustment in accordance with Sections 2.8(A) and 2.9 hereof, to Raiders to finance construction and development of the Executive Suite Project and for the purpose of purchasing and constructing modifications to certain existing Executive Suites at the OACC Stadium (the "Executive Suite Project Loan"), provided that the maximum amount to be advanced under this Section 2.2 shall be reduced, dollar for dollar, by amounts advanced to Raiders under Section 2.1 and Section 2.7(B).

SECTION 2.3. THE TRAINING FACILITY PROJECT LOAN. In accordance with the provisions of Section 2.5 and subject to the provisions of Section 2.8, Financing will make a loan

in the amount of \$5,000,000, subject to adjustment in accordance with Sections 2.8(A) and 2.9 hereof, to Raiders to finance construction and development of the Training Facility Project and for the purposes described in Section 2.5(C) hereof (the "Training Facility Project Loan").

SECTION 2.4 THE OPERATIONS LOAN. In accordance with the provisions of Section 2.7 and subject to the provisions of Section 2.8, Financing will make a loan in the amount of \$66,150,000, plus the amount described in Section 2.7(A)(13), to Raiders for general purposes, subject to adjustment in accordance with Section 2.8(A) hereof (the "Operations Loan").

SECTION 2.5 DISBURSEMENT OF THE PROJECT LOANS.

(A) Disbursements of any Project Loan will be made upon receipt from Raiders of the following with respect to each disbursement of such loan, all in form and substance satisfactory to Financing :

- (1) a written disbursement request
 - (i) specifying the requested disbursement date, the amount of the requested disbursement and the purpose for which such disbursement is to be used, which disbursement request shall be received by Financing at least ten (10) days prior to the requested disbursement date, (ii) certifying that the construction then completed for such Project has been completed in accordance with the applicable License Agreement for such Project, including, without limitation, any plans, specifications, work orders, construction schedules and budgets approved by the East Bay Entities as provided therein, and (iii) certifying that the funds requested are a proper charge, in accordance with the budget established pursuant to the License

Agreement for such Project, against the Project Construction Fund for such Project, and that each item for which payment is requested is or was necessary in connection with the construction of such Project;

(2) a certificate from Raiders' architect and general contractor (i) certifying that the construction then completed with respect to such Project has been completed in accordance with the applicable License Agreement for such Project, including, without limitation, any plans, specifications, work orders, construction schedules and budgets approved by the East Bay Entities as provided therein, (ii) certifying the percentage of completion of such Project, and (iii) certifying that the funds requested are a proper charge, in accordance with the budget established pursuant to the License Agreement for such Project, against the Project Construction Fund for such Project, and that each item for which payment is requested is or was necessary in connection with the construction of such Project; and

(3) evidence that the insurance required to be maintained by Raiders pursuant to the License Agreement for such Project is in full force and effect, is not cancellable except upon thirty (30) days' prior written notice to Financing, and that Financing is named as an additional insured or loss payee (as applicable), as its interests may appear, with respect to all such insurance.

(B) The first disbursement from a Project Loan will not be made until Raiders has executed and delivered the Master Agreement, the Operating License, the OACC Stadium Agreement and this Loan Agreement and the Security

Instruments relating to such Project Loan and the License Agreement relating to the corresponding Project, and has complied with all of the terms and conditions of the License Agreement relating to such Project. Disbursements of any Project Loan need not be made if: (1) the Project is materially damaged by fire or other casualty and not repaired, unless East Bay Entities actually receive insurance proceeds or a cash deposit from Raiders sufficient to pay for the repair of such Project in a timely manner or to repay the amount of prior disbursements applied to such Project to the extent such Project is not repaired; (2) any condemnation or eminent domain proceeding is commenced against the Project by a governmental entity other than any of the East Bay Entities; (3) Financing reasonably believes that withholding a disbursement in whole or in part is required by California mechanics' lien or stop notice laws; or (4) Raiders is in breach of or in default under (a) this Loan Agreement with respect to such loan, including without limitation the provisions of Article VI hereof, or (b) the OACC Stadium Agreement with respect to the OACC Project or the Executive Suite Project, or any event has occurred which with the giving of notice or passage of time or both would constitute a breach or default of the type described in (a) or (b) above.

(C) All moneys remaining in the OACC Project Construction Fund after the Completion Date of the OACC Project shall be used to call and redeem the Tax-Exempt Borrowing at the earliest possible date at which the Tax-Exempt Borrowing can be redeemed without payment of premium, or shall be used and applied to pay the principal on such Tax-Exempt Borrowing until redemption, unless some other application of such moneys would not, in the opinion of bond counsel reasonably acceptable to Financing, cause interest on the Tax-Exempt Borrowing to become includable in gross

income for federal income purposes, and Raiders shall not be entitled to any such funds. All moneys remaining in the Training Facility Project Construction Fund after the Completion Date for such Project shall be disbursed to Raiders upon establishment of the Completion Date for the respective Projects as provided in Section 2.6; provided, however, that Raiders hereby agrees that any remaining amounts so disbursed shall be used by Raiders exclusively for (1) any Costs of Construction of the Stadium Capital Improvements in excess of the amount of the OACC Project Loan; (2) any capital expenditures for the improvement of the Permanent Training Facility, the Stadium Capital Improvements, the Raider Room, or the Exclusive Area; (3) any costs associated with the temporary training facility constructed at the Temporary Training Site (as described in Section 7.1(b) of the Master Agreement); or (4) any combination of the foregoing.

(D) Subject to the provisions of Section 2.9 hereof, in the event the moneys in a Project Construction Fund available for payment of the Costs of Construction of that Project (as set forth in the budget established pursuant to the License Agreement for that Project) should be insufficient to pay the costs thereof in full, Raiders agrees either (1) within ten (10) days of demand by Financing, to deposit in the Project Construction Fund for that Project moneys sufficient to pay any costs of completing such Project in excess of the moneys available for such purpose in such Project Construction Fund, or (2) to pay directly, without requesting any reimbursement or disbursement therefor, all costs of completing such Project until the funds in the Project Construction Fund are sufficient to pay the remaining Costs of Construction of that Project. Financing makes no express or implied warranty that the moneys deposited in a Project Construction

Fund and available for payment of the Costs of Construction of that Project under the provisions of this Loan Agreement will be sufficient to pay all the amounts which may be incurred for such Costs of Construction. Raiders agrees that if, after exhaustion of the moneys in a Project Construction Fund, Raiders should pay any portion of the Costs of Construction of the applicable Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from Financing (but Raiders shall be permitted to use funds from the Permanent Training Facility Project Construction Fund for this purpose to the extent permitted by Section 2.5(C) of this Loan Agreement), East Bay Entities or the Trustee or from the holders of any of the Taxable Borrowing or Tax-Exempt Borrowing, nor shall it be entitled to any diminution of the amounts payable under Section 3.1 hereof.

SECTION 2.6. ESTABLISHING OF PROJECT COMPLETION DATE.

(A) The "Completion Date" of a Project shall be as defined in the License Agreement for such Project. To establish the Completion Date for a Project, Raiders and Raiders' architect shall, in addition to fulfilling all other requirements for establishment of the Completion Date for a Project pursuant to the License Agreement for such Project, evidence the Completion Date of such Project by providing a certificate to the Trustee and Financing stating the total Costs of Construction of such Project and further stating that construction of such Project has been completed substantially in accordance with the License Agreement for such Project, including, without limitation, the plans, specifications, work orders, construction schedules and budgets approved by the East Bay Entities as provided therein, and in a good and workmanlike manner, and all labor, services, materials and supplies and all other costs

and expenses incurred in connection with construction have been paid for. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights of Raiders or Raiders' architect against third parties for the payment of any amount not then due and payable which exist at the date of such certificate or which may subsequently exist. The certificates of completion required under this Section 2.6(A) shall be accompanied by the last required certificate of occupancy for the applicable Project, if available.

(B) Notwithstanding receipt of a certificate with respect to any Project or anything to the contrary contained in this Section 2.6 or the License Agreement for such Project, the Completion Date of that Project shall not be deemed to have occurred until either (1) expiration of the period in which liens, claims or stop notices may be filed against that Project or otherwise served under applicable law in connection with any labor, services, materials or supplies used in construction of such Project, or (2) if permitted by Financing, Financing shall have been furnished with lien waivers or releases satisfactory to Financing with respect to the costs of labor, services, materials and supplies included in prior disbursements, executed by the party or parties providing such labor, services, materials or supplies. In addition, if any such liens, claims or stop notices have been filed, received or served, the Completion Date of the Project shall not be deemed to have occurred until such liens, claims or stop notices which have been received or served shall have been discharged, released or withdrawn, unless Raiders provides Financing with a bond or bonds satisfactory to Financing to indemnify Financing and the East Bay Entities from all loss, cost and expense with respect to such liens, claims or notices.

SECTION 2.7 DISBURSEMENT OF THE OPERATIONS LOAN.

(A) Subject to the provisions of Sections 2.7(B), 2.7(C) and 2.8, the Operations Loan shall be disbursed to Raiders in accordance with the following schedule:

| <u>Date of Loan Advance</u> | <u>Amount of Loan Advance</u> |
|--|-----------------------------------|
| (1) Upon execution and delivery of the Master Agreement, the Operating License, the OACC Stadium Agreement, the Loan Agreement and the Security Instruments: | \$20,000,000 |
| (2) June 30, 1990 | \$11,900,000 |
| (3) July 1, 1990 | \$ 1,100,000 |
| (4) July 1, 1991 | \$ 1,100,000 |
| (5) July 1, 1992 | \$10,300,000 |
| (6) July 1, 1993 | \$ 3,100,000 |
| (7) July 1, 1994 | \$ 3,100,000 |
| (8) July 1, 1995 | \$ 3,100,000 |
| (9) July 1, 1996 | \$ 3,100,000 |
| (10) July 1, 1997 | \$ 3,100,000 |
| (11) July 1, 1998 | \$ 3,100,000 |
| (12) July 1, 1999 | \$ 3,150,000 |
| (13) An amount from the proceeds associated with the sale of the right to name the OACC Stadium as provided in Section 10.2 of the Master Agreement, equal to one-third of all money or the value of other consideration received from such disposition, directly or indirectly, in excess of \$10,000,000, to be advanced at such time as East Bay Entities enter into an agreement relating to such disposition, with any future consideration discounted to present value using a discount rate of ten percent (10%) per annum. | |

..

(B) In the event that, upon the Completion Date of the Executive Suite Project, the Costs of Construction of the Executive Suite Project are less than the amount of the Executive Suite Project Loan, then (1) the amount of such difference shall be disbursed to Raiders as an early disbursement of the Operations Loan and the scheduled advances of the Operations Loan shall be reduced by an amount equal to such disbursement, by reducing or eliminating the advances pursuant to Section 2.7(A)(1) through (12) hereof in reverse chronological order, beginning with the advance to be made on July 1, 1999, and (2) the amount of the Executive Suite Project Loan shall be reduced to the amount equal to such Costs of Construction of the Executive Suite Project.

(C) It shall be a condition to Financing's obligation to make any disbursement of the Operations Loan prior to Arrival that Raiders shall have delivered on or before the date of such disbursement an irrevocable and unconditional stand-by letter of credit substantially in the form attached hereto as Exhibit 1 and in any event in form and substance reasonably satisfactory to Financing (each, a "Letter of Credit"). Each Letter of Credit shall (1) be issued for at least the amount of such loan disbursement, (2) be capable of being drawn by Financing through delivery of a Drawing Certificate in the form attached hereto as Exhibit 2, (3) be issued by a lending institution reasonably satisfactory to Financing, and (4) expire no earlier than the date of the first (1st) Football Event of the first (1st) Football Season that Raiders plays its Football Events at the OACC Stadium. Financing shall be entitled to draw on any Letter of Credit in the event of termination of the Master Agreement pursuant to Section 8.1(d)(iii) thereof and acceleration of the maturity of the loans pursuant to Section 3.2 hereof by reason of such termination.

SECTION 2.8 TERMINATION OR DELAY OF FUNDING.

(A) Notwithstanding any provision of this Loan Agreement to the contrary, in the event (1) East Bay Entities have been enjoined by the explicit terms of an order of a court of competent jurisdiction or prohibited by the explicit terms of valid legislation from making any or all advances of any loan under this Loan Agreement to Raiders or (2) Raiders has been enjoined by the explicit terms of an order of a court of competent jurisdiction from relocating its NFL franchise to or operating such franchise at the OACC Stadium and such order is premised on an alleged obligation of Raiders to play its Football Events at a location other than the OACC Stadium during the 1992 Football Season or thereafter, the date for making any advance subsequent to the effective date of such order or legislation shall be the later of the date specified in this Loan Agreement for such advance and the date of final determination that such prohibition is not legally valid and binding or legally enforceable. At the time of payment of any advance delayed pursuant to this Section 2.8(A), Financing shall also advance to Raiders an amount equal to the interest which would have been earned if the advance had earned interest from the originally scheduled date of the advance to the actual date of advance at the "applicable federal rate" for debt instruments with a term of not over three years for the month in which such advance was originally scheduled to be made, as determined pursuant to section 1274(d) of the Code (without regard to section 1274(d)(2)). Section 2.8(A)(1) hereof shall not apply to any litigation or legislation of, or any litigation or legislation in any way promoted, aided, or abetted by, any of the East Bay Entities or any of their affiliates (it being understood that a resident of the City or County is

not an affiliate of an East Bay Entity solely by virtue of its taxpayer status).

(B) Financing shall not be obligated to make disbursements of any loan under this Loan Agreement after the earlier of (1) the date of termination of the Master Agreement or the Operating License, or (2) at the option of Financing, the date of any material breach or default by Raiders (a) hereunder with respect to such loan, or (b) under the License Agreement for the Project corresponding to such loan (if any), or under the OACC Stadium Agreement with respect to the OACC Project Loan or the Executive Suite Project Loan, or (c) under the Master Agreement or the Operating License, or (3) upon the occurrence of any event which with the giving of notice or passage of time or both would constitute a breach or default of the type described in (2) above.

(C) Nothing in this Section 2.8 shall relieve Financing of its obligation to disburse Project loan advances for any construction completed prior to the date on which funding is terminated or delayed pursuant to this Section 2.8, provided that such advances are requested in accordance with the procedures and certifications of Section 2.5 hereof.

SECTION 2.9. ADJUSTMENT OF THE OACC PROJECT LOAN, THE EXECUTIVE SUITE PROJECT LOAN AND THE TRAINING FACILITY PROJECT LOAN AMOUNTS. If the commencement of construction of the OACC Project, the Executive Suite Project or the Training Facility Project is delayed solely as the result of the failure of East Bay Entities to comply in a material respect with their obligations under any of the Agreements, including, without limitation, obligations (A) under Section 4.1 of the OACC Stadium Agreement or (B) to disburse the loans for such Project in accordance with Section 2.5 hereof, the loan amount set forth in Sections 2.1, 2.2 and

2.3 hereof, as applicable, shall be increased (but in no event decreased) by a percentage equal to the increase, if any, in the Construction Cost Index between the date upon which such obligations have been met and the date upon which such obligations were required to have been satisfied. In addition, the foregoing Project Loan amounts shall be increased, in accordance with the terms of the License Agreements for such Projects, by the amount of any costs relating to change orders resulting from delays caused solely by the failure of East Bay Entities to comply in a material respect with any of the above obligations, after deducting any savings resulting from change orders with respect to such Project either as such amounts are agreed upon by Raiders and East Bay Entities or as determined pursuant to Section 6.2 of the OACC Stadium Agreement. Any increase in the maximum loan amount provided in this Section 2.9 shall not limit any other rights and remedies Raiders may have under the Agreements.

ARTICLE III REPAYMENT PROVISIONS

SECTION 3.1. REPAYMENT OF LOANS BY RAIDERS.

Raiders hereby agrees to pay to Financing the amounts of the loans advanced hereunder, together with interest on the aggregate unpaid principal amounts at a rate of (i) ten percent (10)% per annum, with respect to the Executive Suite Project Loan, the Training Facility Project Loan and the Operations Loan, and (ii) the lesser of ten percent (10%) per annum or the interest rate on the Tax-Exempt Borrowing, as determined from time to time, with respect to the OACC Project Loan, in each case compounded annually, with unpaid interest added to principal, and with all unpaid principal and interest on all loans due forty (40) years from the date

hereof. The following payments (and any payments pursuant to Section 3.4 hereof) shall be made prior to maturity at the times specified, and shall be applied first to unpaid accrued interest and then to principal (except as otherwise specifically provided in this Loan Agreement, payments received from Raiders shall be allocated to the loans made under Article II hereof in proportion to the unpaid principal balances thereof at the time of such payments):

(A) Commencing July 1, 1990, and on each July 1 thereafter until the Completion Date of the OACC and Executive Suite Projects, the amount of \$1,100,000; and

(B) Commencing on July 1 following the date on which the Completion Date of the OACC and Executive Suite Projects shall occur, and on each July 1 thereafter until the expiration of the term of the Operating License, the amount of \$3,600,000; and

(C) Upon receipt by Raiders, an amount equal to fifty percent (50%) of all revenue received by Raiders from concessions for the sale of food and beverage items at the OACC Stadium, pursuant to Section 8.1 of the Operating License; and

(D) Upon receipt by Raiders, an amount equal to fifty percent (50%) of all revenue received by Raiders from vehicle parking pursuant to Section 8.1 of the Operating License.

Notwithstanding the foregoing, in the event that the date for the making of any advance by Financing shall be delayed or is not made, Raiders shall not be required to make any payment pursuant to Section 3.1(A) or 3.1(B) above until all such delayed advances by Financing have been made.

SECTION 3.2. ACCELERATION OF PAYMENTS. The maturity date of the amounts payable hereunder shall be accelerated and such amounts shall automatically become due and payable together with interest accrued thereon, subject

to the provisions of Sections 4.1 and 5.1 hereof, upon termination of the Agreements pursuant to Article 8 of the Master Agreement, or upon the occurrence of an Event of Default (as hereinafter defined) which is continuing, all at the option of Financing exercisable in its sole discretion.

SECTION 3.3. SECURITY FOR PAYMENT. Raiders will execute and deliver to Financing simultaneously with this Loan Agreement a security agreement with respect to each loan advanced hereunder granting to Financing a security interest in Raiders' right to receive the revenues described in Subsections 3.1(C) and (D) above, and will execute and deliver a financing statement under the California Uniform Commercial Code with respect to such security agreement, as security for repayment of the amounts payable hereunder (such security agreement and financing statements are herein collectively referred to as the "Security Instruments").

SECTION 3.4. MANDATORY PREPAYMENTS.

(A) In the event there is damage to a Project prior to or following the Completion Date of the Project, and as a result thereof Raiders receives insurance proceeds or other funds which will not be used to repair such damage, Raiders shall immediately pay such proceeds or other funds to Financing as a prepayment of the Project loan to which such proceeds or other funds relate, up to the unpaid balance thereof (including accrued interest).

(B) In the event there is a Taking or a partial Taking to a Project prior to or following the Completion Date of the Project, and as a result thereof Raiders receives insurance proceeds, other funds or an award or settlement as compensation for such Taking or partial Taking (other than an award of moving or relocation expenses), Raiders shall immediately pay such proceeds, other funds, award or settlement to Financing as a prepayment of the Project loan to which such proceeds, other funds, award or

settlement relate, up to the unpaid balance thereof (including accrued interest).

SECTION 3.5. REVERSION. Upon reversion of the Stadium Capital Improvements, the Permanent Training Facility or the Hall of Fame to any of the East Bay Entities as provided in the Agreements, Raiders shall receive a credit against the then outstanding principal balance of the loans advanced under this Loan Agreement in an amount equal to the lesser of (A) the fair market value of the Stadium Capital Improvements, the Permanent Training Facility or the Hall of Fame, as the case may be, and (B) the then outstanding aggregate principal balance of the loans.

ARTICLE IV EVENTS OF DEFAULT AND REMEDIES

SECTION 4.1. EVENTS OF DEFAULT. Any one of the following which occurs and continues shall, at the option of Financing, exercisable in its sole discretion, constitute an Event of Default hereunder:

(A) failure by Raiders to pay any amounts required to be paid under Sections 3.1 or 3.2 hereof at the times required; or

(B) failure of Raiders to observe and perform any covenant, condition, or agreement on its part required to be observed or performed by this Loan Agreement, other than making the payments referred to in (A) above, which continues for a period of fifty (50) days after written notice, which notice shall specify such failure and request that it be remedied, given to Raiders by Financing or the Trustee, unless Financing and the Trustee shall agree in writing to an extension of such time; provided, however, that if the failure stated

in the notice cannot be corrected within such period, Financing and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted within such period and diligently pursued until the default is corrected; or

(C) breach or default by Raiders of any covenant, condition, agreement, representation or warranty under any of the Agreements (other than as set forth in Section 4.1(B) hereof), which breach or default continues for a period of fifty (50) days after written notice given by one or more other parties to such agreement; or

(D) an Act of Insolvency of Raiders; or

(E) failure of Raiders to execute and file, to the reasonable satisfaction of Financing, any supplemental or continuing financing statement, including, without limitation, any financing statement required under the California Uniform Commercial Code, or any other documents or instruments necessary to evidence, perfect or continue Financing's security interests described in Section 3.3 hereof, at least ninety (90) days prior to the expiration of such security interests.

Notwithstanding the foregoing or anything to the contrary contained herein, a default by Raiders under (1) a License Agreement for a particular Project or (2) the OACC Stadium Agreement with respect to the OACC Project and the Executive Suite Project, shall constitute an Event of Default hereunder solely with respect to the corresponding Project Loan(s), and shall entitle Financing to exercise the remedies set forth in Section 4.2 hereof solely with respect to such Project Loan(s). Such a default shall not, in and of itself, constitute a default or Event of Default with

respect to any other loan advanced hereunder or entitle Financing to exercise any of the remedies set forth in Section 4.2 with respect to any of the other loans advanced hereunder which are not then in default.

The provisions of subsections (B) and (C) of this Section are subject to the limitation that Raiders shall not be deemed in default if and so long as Raiders is unable to carry out its agreements hereunder by reason of Force Majeure. This limitation shall not apply to any default under subsections (A), (D) or (E) of this Section. The foregoing provision shall not limit any rights of Raiders pursuant to any Force Majeure provision in any of the Agreements.

SECTION 4.2. REMEDIES ON DEFAULT. Whenever any Event of Default shall have occurred and shall continue, at the option of Financing, exercisable in its sole discretion, Financing shall have the following rights and remedies, subject to the provisions of Section 4.1 above:

(A) To declare the unpaid balance of the loans payable under Section 3.1 of this Loan Agreement immediately due and payable upon written notice to Raiders of such acceleration;

(B) To enforce the rights of Financing under the Security Instruments; and

(C) Subject to the provisions of Article V of this Loan Agreement, Financing may take whatever action at law or in equity as may be necessary or desirable to collect the payments and other amounts then due and thereafter to become due under this Loan Agreement, or to enforce performance and observance of any obligation, agreement or covenant of Raiders under any of the Agreements.

In case Financing shall have proceeded to enforce its rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Financing, then, and in every such case, Raiders, Financing shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of Raiders, Financing shall continue as though no such action had been taken.

SECTION 4.3. DEFAULT INTEREST. In the event Raiders or Financing should fail to make any of the payments as and when required under this Loan Agreement, such overdue payments shall thereafter bear interest until paid, to the extent permitted by law, at a default rate of interest equal to the Prime Rate plus 2%.

SECTION 4.4. AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES. In the event Financing or Raiders should default under any of the provisions of this Loan Agreement and the non-defaulting entity or entities should employ attorneys or incur other expenses for the collection of the payments due under this Loan Agreement or the enforcement of performance or observance of any obligation or agreement contained herein or in any Related Agreement on the part of Financing or Raiders, Raiders, if it is the defaulting entity, and Financing, if Financing is the defaulting entity, agrees to pay to the non-defaulting entity its reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting entity.

SECTION 4.5. NO REMEDY EXCLUSIVE. Subject to the provisions of Article V hereof, no remedy herein conferred upon or reserved to Financing or Raiders is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under any of the

Agreements or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Financing or Raiders to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 4.6. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement or covenant contained in this Loan Agreement should be breached by Raiders and thereafter waived by Financing, or breached by Financing and thereafter waived by Raiders, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE V NONRECOURSE OBLIGATIONS

SECTION 5.1. SOURCE OF REPAYMENTS.

(A) Except as provided in this Article V, any claim by Financing against Raiders based upon this Loan Agreement shall be limited to satisfaction out of, and enforcement against, the payments and revenues described in Section 3.1; provided, that nothing contained in this Article V shall limit or diminish the credit to which Raiders is entitled on reversion of the Stadium Capital Improvements, the Permanent Training Facility or the Hall of Fame as provided in Section 3.5 hereof.

(B) The limitation on repayment sources described in Section 5.1(A) hereof shall not apply to:

(1) Periodic payments of principal and interest required to be paid by Raiders pursuant to Section 3.1 hereof which are not paid when due; or

(2) The unpaid balance (including accrued interest) of the loans payable under Section 3.1 hereof as the result of an Event of Default under Section 4.1(D) declared by Financing; or

(3) The unpaid balance of the Operations Loan to the extent such loan is accelerated by Financing pursuant to Section 3.2 hereof as a result of the termination of the Master Agreement pursuant to Section 8.1(d)(iii) or Section 8.1(d)(v) thereof; or

(4) Any draw on a Letter of Credit pursuant to Section 2.7(C) hereof.

(C) Financing hereby acknowledges and agrees that no Released Person shall have any personal liability to Financing or the Trustee for payment of any sums now or hereafter owing by Raiders under this Loan Agreement or for the performance of any of the obligations of Raiders contained herein, and further acknowledges and agrees that they shall not have the right to proceed against the Released Persons or against their respective properties and assets for satisfaction of any such payment, claim, or liability or for any deficiency judgment in respect thereof, except as expressly set forth herein; provided, however, that nothing contained herein shall (A) be, or be deemed to be, a release or impairment of said indebtedness or any part thereof or of any Security Instrument or any other instrument or agreement securing the obligations of Raiders hereunder or (B) limit or otherwise prejudice in any way the right to enforce any other rights or remedies under any of the Agreements, any Security Agreement, or any other

instrument or agreement securing the obligations of Raiders hereunder or thereunder; nor shall such limitation of liability apply to any Released Person who is a transferee of a fraudulent conveyance from Raiders. The foregoing acknowledgements, agreements, and waivers shall survive the termination of this Loan Agreement and shall be enforceable by any Released Person.

ARTICLE VI SPECIAL COVENANTS AND AGREEMENTS

SECTION 6.1. TAX-EXEMPT STATUS OF THE TAX-EXEMPT BORROWING.

(A) To provide funds to finance the Costs of Construction of the OACC Project, Financing will sell or cause to be sold tax-exempt bonds or certificates of participation under the Trust Agreements (the "Tax-Exempt Borrowing"). Financing will thereupon deposit the proceeds received from the sale of the Tax-Exempt Borrowing with the Trustee as provided in such Trust Agreements. The Costs of Construction of the other Projects will be financed by issuing and selling the taxable bonds or certificates of participation (the "Taxable Borrowing") pursuant to the Trust Agreements.

(B) It is the intention of the parties hereto that the interest on the Tax-Exempt Borrowing shall be and remain exempt from federal income taxation, and to that end the covenants and agreements of Financing and Raiders in this Section are for the benefit of the Trustee and each and every holder of the Tax-Exempt Borrowing.

(C) Raiders covenants and agrees that substantially all of the proceeds of the Tax-Exempt Borrowing are to be used to provide facilities described in section 1317(3)(U) of the Tax Reform Act of 1986 (Pub. L.

No. 99-514), as amended by section 1013(g)(3)(C) of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. No. 100-647).

(D) Financing covenants and agrees that it has not taken and will not take any action which results in interest paid on the Tax-Exempt Borrowing being included in gross income of the holders of the Tax-Exempt Borrowing for purposes of federal income taxation; and Raiders covenants and agrees that it has not taken and will not take any action which will cause the interest on the Tax-Exempt Borrowing to become subject to federal income taxation pursuant to the provisions of Sections 103 and 141 through 150 of the Code; provided that neither Raiders nor Financing shall have violated these covenants if the interest on any of the Tax-Exempt Borrowing becomes taxable to a person solely because such person is a "substantial user" of the OACC Project or a "related person" within the meaning of Section 147(a) of the Code; and provided further that none of the covenants and agreements herein contained shall require either Raiders or Financing to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Tax-Exempt Borrowing.

SECTION 6.2. SPECIAL TAX CERTIFICATIONS.

(A) Financing hereby certifies that it has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(B) Raiders hereby covenants that (1) to the extent such moneys are under the control of Raiders, moneys on deposit in any fund or account in connection with the

Tax-Exempt Borrowing, whether such moneys were derived from the proceeds of the sale of the Tax-Exempt Borrowing or from any other sources, will not be used and the OACC Project will not be used in a manner which would cause the Tax-Exempt Borrowing to be "federally guaranteed bonds" within the meaning of Section 149(b) of the Code, and any applicable regulations of the United States Department of the Treasury now or hereafter proposed or promulgated thereunder (the "Regulations"); (2) not more than 25% of the proceeds of the Tax-Exempt Borrowing will be used, directly or indirectly, for the acquisition of land or interests in land as provided in Section 147(c) of the Code and the Regulations; (3) proceeds of the Tax-Exempt Borrowing will only be used to acquire property (other than land or interests therein) the first use of which is pursuant to such acquisition; and (4) no portion of the proceeds of the Tax-Exempt Borrowing will be used to provide any airplane, skybox, or other private executive suite, any health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(C) Raiders and Financing each agree, severally and not jointly, that they will not directly or indirectly use or permit the use of any proceeds of the Tax-Exempt Borrowing or other funds that will cause the Tax-Exempt Borrowing to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end with respect to the Tax-Exempt Borrowing Financing and Raiders will comply with all requirements of such Section 148 to the extent applicable to the Tax-Exempt Borrowing. In the event that at any time Financing or Raiders is of the opinion that for purposes of this Section 6.2(C) it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Loan Agreement or the Trust

Agreements, Financing or Raiders, as the case may be, shall so notify the Trustee in writing. The obligations of Raiders under this Section 6.2(C) are specifically limited to proceeds within its control.

(D) Financing and Raiders shall retain all records with respect to the calculations and instructions required by this Section 6.2 for at least six (6) years after the date on which the principal of and interest on the Tax-Exempt Borrowing has been paid, whether upon maturity, redemption, or acceleration thereof.

(E) Notwithstanding any provision of this Section, if Raiders shall provide to Financing and the Trustee an opinion of independent bond counsel reasonably acceptable to Financing and the Trustee that any specified action required under this Section 6.2 is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest with respect to the Tax-Exempt Borrowing, Raiders, the Trustee and Financing may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VII MISCELLANEOUS

SECTION 7.1. DISPOSITION OF RAIDERS' ASSETS. In addition to any other restrictions upon the transfer or assignment of Raiders' assets contained in the other Agreements, Raiders agrees that during the term of this Loan Agreement it will not dissolve or otherwise dispose of all or substantially all of its assets without the consent of Financing and unless the proposed purchaser shall first have assumed all of Raiders' obligations hereunder pursuant to an

instrument reviewed in advance by Financing and in form and substance reasonably satisfactory to Financing.

SECTION 7.2. NOTICES. All notices, requests, demands, consents, approvals and other communications required or permitted to be given or delivered hereunder shall be in writing and shall be considered given and received either when delivered in person to the recipient as named below, or on the fifth day after deposit in the United States Postal Service in a sealed envelope, either registered or certified mail, return receipt requested, postage prepaid, addressed to the party, or on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the party at the following address:

To Financing:

To Raiders:

To the Trustee:

Financing, Raiders and the Trustee may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 7.3. GOVERNING LAW. This Loan Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.

SECTION 7.4. AUTHORIZED RAIDERS REPRESENTATIVE. Whenever under the provisions of this Loan Agreement the approval of Raiders is required or Raiders is required to

take some action at the request of Financing, such approval or such request shall be given on behalf of Raiders by the Authorized Raiders Representative, and Financing and the Trustee shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee as a result of any such action taken.

SECTION 7.5. TERM OF THE AGREEMENT. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the loans is outstanding . All representations and certifications by Raiders as to all matters affecting the tax-exempt status of the Tax-Exempt Borrowing shall survive the termination of this Loan Agreement.

SECTION 7.6. BINDING EFFECT. Subject to the provisions of Section 7.1 above, this Loan Agreement shall inure to the benefit of and shall be binding upon Financing, Raiders and their respective successors and assigns. The parties hereto agree that Financing may assign any of its rights or obligations hereunder to any other East Bay Entity.

IN WITNESS WHEREOF, Financing has caused this Loan Agreement to be executed in its name and attested by its duly authorized officers, and Raiders has caused this Loan

Agreement to be executed in its name by its duly authorized officers, all as of the date first above written.

OAKLAND-ALAMEDA COUNTY COLISEUM
FINANCING CORPORATION

By _____

Attest:

APPROVED AS TO FORM AND LEGALITY:

By _____

THE LOS ANGELES RAIDERS, a
California limited partnership

By _____,
a California corporation, its
General Partner

By _____
Its President

Attest:

FEB 15 1990

EXHIBIT E
STADIUM CAPITAL IMPROVEMENT LICENSE AND DESIGN
AND CONSTRUCTION COORDINATION AGREEMENT

This OACC Stadium Agreement ("OACC Stadium Agreement") is entered into among the City of Oakland, a municipal corporation and a charter city duly organized and existing under the laws and Constitution of the State of California ("City"), the County of Alameda, a political subdivision of the State of California ("County"), the Oakland-Alameda County Coliseum, Inc., a California non-profit corporation ("Coliseum"), and the Los Angeles Raiders, a California limited partnership ("Raiders").

1. CONSTRUCTION OF STADIUM CAPITAL IMPROVEMENTS

In consideration for the license herein and the covenants of East Bay Entities in the other Agreements, Raiders hereby agrees to construct the Stadium Capital Improvements, on the terms and conditions set forth herein.

2. DEFINITIONS

Unless the context or terms of this OACC Stadium Agreement clearly indicate otherwise, the definitions contained in Exhibit A to the Master Agreement, as the same may be amended from time to time, shall govern the interpretation of capitalized terms contained herein and such definitions are hereby incorporated by reference.

3. IMPROVEMENTS LICENSES

3.1 License to Construct. So long as Raiders is not in default of any of the provisions of any of the Agreements, and in consideration of the covenants contained in the Agreements, East Bay Entities hereby grant to Raiders a license subject to the terms of this OACC Stadium Agreement to enter and occupy the OACC Stadium for the sole purpose of constructing the Stadium Capital Improvements and performing the other activities provided for herein. The term of this license shall commence on the date of commencement of construction of the Stadium Capital Improvements ("Construction Commencement Date") and shall terminate on the earlier of (i) the Completion Date as defined in Section 9.9 herein; (ii) at the option of East Bay Entities, the date of default by Raiders under this OACC Stadium Agreement, the Master Agreement or any other Related Agreement; or (iii) the date of termination of Raiders' license to play football in the OACC Stadium.

3.2 Right of Entry. In addition to the license granted in Section 3.1 above, Raiders shall have the right, upon delivery of reasonable notice to East Bay Entities, to enter the OACC Stadium during normal business hours prior to the Construction Commencement Date to carry out activities necessary for commencement of construction of the Stadium Capital Improvements; provided, however, that such entry will not interfere with the activities of any licensee or other user of the OACC Stadium or OACC Complex. Raiders shall indemnify and hold East Bay Entities harmless from any loss, damage, cost, expense or claim, including reasonable attorneys' fees

and costs, arising out of or relating to such entry prior to the Construction Commencement Date.

3.3 License Back. Raiders will own the Stadium Capital Improvements when constructed and pursuant to and for the term of the Operating License, has granted a license to use and occupy the Stadium Capital Improvements to East Bay Entities. Ownership of the Stadium Capital Improvements will automatically and without further action by any party vest in East Bay Entities upon the termination of the Operating License. Raiders shall execute all documents necessary or desirable to evidence the transfer of ownership to East Bay Entities at the time of such termination. The obligations of Raiders under this paragraph shall survive the termination of this OACC Stadium Agreement.

4. PERMITS AND APPROVALS

4.1 Permits. East Bay Entities will obtain the Approvals for the Stadium Capital Improvements, in the name of Raiders to the extent possible, and at no cost to Raiders, on or before November 15, 1990, provided, however, that the failure of East Bay Entities to obtain such Approvals shall not constitute a breach of any of the Agreements. Raiders shall cooperate fully with East Bay Entities and shall make itself available to assist in the processing of Approvals for the Stadium Capital Improvements and to attend any public and/or private meetings with East Bay Entities or applicable governmental agencies or their staff as and when required, Raiders' Representative, as defined below, and the necessary

personnel from Helmuth, Obata & Kassebaum, Inc. ("HOK"), or any successor architect for the Stadium Capital Improvements. East Bay Entities shall be solely responsible for the costs of the Approvals for the Stadium Capital Improvements and any processing related thereto.

4.2 Other Approvals. East Bay Entities will obtain all other necessary approvals to allow construction of the Stadium Capital Improvements as contemplated hereunder, including, but not limited to the approval of the Athletics.

4.3 Conditional Grant. The license granted to Raiders pursuant to Section 3.1 above shall be conditional upon and shall not be effective until receipt by East Bay Entities of the approvals described in Sections 4.1 and 4.2 above. East Bay Entities shall deliver written notice to Raiders stating that the approvals described in Sections 4.1 and 4.2 have been obtained and that the license granted herein is effective. If Approvals are not obtained by November 15, 1994 then the license granted pursuant to Section 3.1 shall be of no force and effect.

4.4 Access. East Bay Entities will provide in the manner presently configured all necessary road access and utilities to the OACC Stadium for construction of the Stadium Capital Improvements on the terms and conditions contained herein; provided, however, East Bay Entities shall be under no obligation to construct any additional road access or provide additional utility service to the OACC Stadium. Except for the First Executive Suites and the Stadium Capital Improvements as

provided for herein, or in any of the Agreements, Raiders will have no ownership interest in the existing OACC Complex improvements, any of East Bay Entities' real or personal property interests, or any road access or utilities to be provided by East Bay Entities.

5. COORDINATION EFFORTS AND REPRESENTATIVES

5.1 Architect. The parties agree that HOK shall be appointed as the project architect ("Project Architect"). A successor Project Architect may be appointed by written mutual agreement of the parties.

5.2 Appointment. Within ten (10) days after the date hereof East Bay Entities and Raiders shall each designate in writing to the other, the person (referred to herein as the "Representative" of each party) who will represent such party's interests in coordinating the design and construction of the Stadium Capital Improvements through the Completion Date thereof and otherwise in carrying out such party's rights and obligations under this OACC Stadium Agreement; provided, however, that designation of such Representatives shall not relieve the parties of their respective obligations under this OACC Stadium Agreement. The respective Representatives shall represent East Bay Entities and Raiders for all purposes under this OACC Stadium Agreement, including but not limited to, receiving and delivering notices of any kind, obtaining information and stating the position of the respective party on any decision required hereunder, and attending meetings required by the terms of this OACC Stadium Agreement or

requested by a party. Each party shall be entitled to rely fully and completely upon the statements or representations made by the Representative of the other party. The delivery of written notice to the Representative in accordance with Section 11.2 shall be deemed to constitute delivery to the party whom the Representative represents.

5.3 Change of Representatives. The parties agree to use their best efforts to maintain the same individuals as Representatives throughout the term hereof with a view towards expeditious completion of construction of the Stadium Capital Improvements. However, either party may change its Representative effective as of the date of delivery of written notice of such change to the other party. One party shall not have the right to cause removal of a Representative of the other party.

5.4 Cooperation. The parties agree that the successful and timely design and construction of the Stadium Capital Improvements are dependent upon full and complete cooperation of the parties and their Representatives and full and complete disclosure of all information and material relevant to such design and construction. Therefore, each party covenants and agrees to use its best efforts to perform its obligations hereunder in a timely manner, and not to cause the other party to be unable to perform in a timely manner. Such efforts shall include, but not be limited to, meeting as frequently as necessary to maintain the design and construction schedules and budgets as provided herein, disclosing all information relevant to the design and construction of the Stadium Capital

Improvements and causing their respective Representatives, employees and agents and consultants to so perform.

5.5 Consultants. By delivery of reasonable notice, either party may require the Project Architect, the General Contractor as hereinafter defined or the Representative of the other party to attend a meeting during normal business hours for a valid business purpose with respect to the performance of this OACC Stadium Agreement or the design and construction of the Stadium Capital Improvements. The written notice shall set forth the date, time and place of the meeting and shall describe with reasonable detail the issue(s) to be addressed at such meeting.

6. DESIGN AND CONSTRUCTION ARBITRATOR

6.1 Designation. The parties hereby agree to select one person to act as their joint design and construction arbitrator ("Arbitrator") for the purpose of monitoring design and construction of the Stadium Capital Improvements as contemplated hereunder and resolving disagreements between the parties during the course of design and construction. In the event an Arbitrator has not been appointed on or before the date hereof, both parties will select a panel of three (3) individuals ("Selection Committee") to appoint the Arbitrator. The parties understand and agree that the Arbitrator shall have at least ten (10) years experience in supervising large commercial or industrial construction projects or providing construction management services for such projects. The Selection Committee will be appointed as follows: (i) within

ten (10) days after the date hereof, each party shall appoint one (1) member of the Selection Committee by written notice to the other party, and (ii) after both members have been so appointed, they shall within ten (10) days jointly select a third member. If the members are unable to agree upon a third member, the third member shall be selected as follows: (i) the American Arbitration Association shall provide a list of five (5) individuals knowledgeable in construction management to serve as the third member, and (ii) in alternating turns (the order determined by coin toss) each party shall eliminate two individuals from the list. The remaining individual shall become the third member of the Selection Committee.

The Selection Committee, by agreement of any two (2) of its members, shall appoint the Arbitrator. The parties hereto intend to execute an agreement with the Arbitrator containing the terms and conditions of such appointment, including, among other things, appropriate indemnities from both parties to protect the Arbitrator from any claims made by Raiders, East Bay Entities, the Project Architect, the General Contractor or any other third party. In order to expedite the Arbitrator's ability to resolve disagreements, the Arbitrator will continuously monitor preparation of preliminary design drawings and specifications for construction of the Stadium Capital Improvements ("Preliminary Design Documents"), preparation of working drawings and specifications for such construction ("Working Drawings") and construction of the Stadium Capital Improvements.

6.2 Resolution of Disputes. The parties shall fully cooperate in the timely design and construction of the Stadium Capital Improvements and shall use their best efforts to perform all obligations hereunder. If a disagreement arises between the parties concerning a design or construction issue, which a party believes cannot be resolved without submission to the Arbitrator, such party may notify the Arbitrator and the other party in writing (the "Arbitration Notice") stating in reasonable detail the nature of such disagreement, the issues to be resolved and requesting that the matter be submitted to the Arbitrator. Unless otherwise provided in this OACC Stadium Agreement, the parties shall deliver to the Arbitrator all information and material each believes to be relevant to the issues described in the Arbitration Notice as soon as is reasonably possible, taking into account the parties desire to avoid any delays in construction; provided, however, that if no information is delivered within five (5) working days after receipt of the Arbitration Notice that party shall be deemed to have consented to the completeness and sufficiency of the Arbitration Notice. The Arbitrator shall immediately after receipt of the information described in the preceding sentence consult with both parties' Representatives and with such other persons as the Arbitrator deems helpful and shall make a written determination resolving the issues described in the Arbitration Notice as soon as is reasonably possible after receiving all information and material delivered by the parties and all other information and material the Arbitrator believes to be relevant to the identified issues taking into account the parties desire to avoid delays in construction. The Arbitrator's determination shall be based upon the HOK

Conceptual Plan as hereinafter defined, the existing OACC Stadium plans, the construction schedule, the criteria set forth in Section 7.3 below, the Preliminary Design Documents and/or Working Drawings, the action or inaction of the respective parties, relevant information and material and the information and material delivered by the parties for review by the Arbitrator. The Arbitrator's determination shall encompass (i) both design and construction issues; (ii) allocations of any increase or decrease in costs of design and construction to the parties hereto; (iii) any impact on the Maximum Loan Facility; and (iv) changes, if any, to the construction schedule determined in accordance with Section 9.6 below and/or the Completion Date. The Arbitrator shall not make or fail to make any determination or award if making or failing to make such determination or award will (i) interfere with the practice or game schedule of the Athletics; (ii) interfere with the use of the OACC Stadium as a baseball facility during the baseball season; or (iii) in the event of a change to the construction schedule pursuant to Section 9.6 below, cause East Bay Entities or any of them to breach a contractual obligation with any third party.

6.3 Effect of Arbitrator's Determination. The Arbitrator's decisions shall be final and binding on the parties and neither party shall have a right of appeal to any person or court. Notwithstanding the preceding sentence to the contrary, the decisions of the Arbitrator shall not preclude either party from claiming damages or pursuing any action for damages against the other party (but not the Arbitrator) arising out of the issues described in the Arbitration Notice.

The parties hereby waive the right to seek injunctive relief against one another in connection with any issue relating to the design or construction of the Stadium Capital Improvements. The sole remedy for a dispute relating to such issues is to submit the dispute to the Arbitrator with the subsequent right to sue for damages. The parties hereto shall act in compliance with the Arbitrator's determinations made in accordance with this OACC Stadium Agreement and the actions or inactions by the parties in compliance therewith shall not constitute a breach of the terms of this OACC Stadium Agreement, notwithstanding the subsequent determination of any suit for damages to the contrary. The Arbitrator, in his discretion, may reserve his determination of any allocation of costs until the Completion Date.

6.4 Fees and Costs. East Bay Entities and Raiders shall each pay one-half of the fees and costs of the Arbitrator in performing its services hereunder and under the separate agreement to be entered into with the Arbitrator.

6.5 Removal of Arbitrator. The Arbitrator may be removed at any time, except during pendency of any dispute proceeding, by either party effective on the date of delivery of written notice to the other party and the Arbitrator stating the reason for such removal; provided that the notice to the other party shall contain a list of five (5) individuals having at least ten (10) years experience in supervising large commercial or industrial construction projects or providing construction management services for such projects from which to select a new Arbitrator. The party receiving the removal

notice shall select one of the individuals identified in the removal notice to act as the new Arbitrator in accordance with this OACC Stadium Agreement and shall advise the other party in writing of such selection within ten (10) days after receipt of such removal notice. The failure to so advise within the required time shall authorize the party which delivered the removal notice to select one of the five (5) individuals designated in the removal notice to act as the new Arbitrator. The new Arbitrator may not be removed by one party without the concurrence of the other party for ninety (90) days after the date of selection of such new Arbitrator.

7. DESIGN

7.1 Architect. Within a reasonable time after the date hereof taking into account the parties desire to avoid any delays in commencement of construction, Raiders will execute a contract with the Project Architect for the purpose of providing all design services through the Completion Date. Said contract shall be subject to the approval of East Bay Entities, which approval shall not be unreasonably withheld or delayed; provided, however, that if no written objection to the contract is delivered by East Bay Entities to Raiders within ten (10) working days after delivery of the contract, it shall be deemed approved. Said contract shall provide an acknowledgment by the Project Architect that all Preliminary Design Documents, Working Drawings and all other design documents, all material or substantial changes thereto prior to the Construction Commencement Date or during construction, and all change orders during the course of construction, are

subject to the terms of the Agreements and require the prior written approval of the Representative of each of Raiders and East Bay Entities or the Arbitrator in the event of any disagreement as provided herein. Said contract shall also provide that Raiders, or East Bay Entities in the event Raiders defaults in its obligations pursuant to this OACC Stadium Agreement to commence and complete construction as provided herein, shall have the right to ownership of all Preliminary Design Documents, Working Drawings and all other drawings and specifications, models, documents and materials relating to the design or construction of the Stadium Capital Improvements and any amendments thereto. The contracts shall further provide that all such documents drawings, specifications, models and materials shall be assigned to East Bay Entities upon termination of the license granted pursuant to Section 3.1 herein or upon termination of the Operating License.

7.2 Existing OACC Stadium. The OACC Stadium currently contains approximately 50,000 seats in a football configuration, forty-five (45) Executive Suites that presently exist or are currently under construction, concession facilities, bathroom facilities, storage areas, four (4) private rooms for social and meeting events, baseball locker room facilities, baseball dugouts, three press boxes, lighting for night time events and color television production and miscellaneous other facilities.

7.3 Design Criteria. Raiders agrees to cause the Project Architect to prepare at the times provided herein all Preliminary Design Documents and Working Drawings necessary for

construction of the Stadium Capital Improvements in furtherance of the HOK Preliminary Capital Improvement Plan dated _____, attached to the Master Agreement as Exhibit J ("HOK Capital Improvement Plan").

7.4 Preliminary Design Documents. Within a reasonable time after execution of the Project Architect's contract described in Section 7.1 above, taking into account the parties' desire to avoid any delays in construction, Raiders shall cause the Project Architect to prepare Preliminary Design Documents which conform to the design criteria set forth in Section 7.3. The Representative of East Bay Entities shall participate in the preparation of the Preliminary Design Documents.

7.5 Approvals. Raiders shall cause the Project Architect to prepare and deliver twelve (12) sets of Preliminary Design Documents to East Bay Entities for their review and approval. East Bay Entities shall approve or disapprove the Preliminary Design Documents in writing within a reasonable time after receipt of the Preliminary Design Documents taking into account the parties desire to avoid any delays in construction; provided, however, that if no written objection to the submitted Preliminary Design Documents is delivered by East Bay Entities to Raiders within ten (10) working days after delivery of Preliminary Design Documents to East Bay Entities, they shall be deemed approved.

If East Bay Entities disapprove the Preliminary Design Documents and the parties are unable to agree on mutually

acceptable changes within five (5) working days of such disapproval, Raiders and East Bay Entities agree that any such deficiencies shall be submitted to the Arbitrator as provided in Section 6.2. Raiders shall cause the Project Architect to correct the Preliminary Design Documents if there is a determination of the Arbitrator that the Preliminary Design Documents do not conform to the design criteria, and to deliver new Preliminary Design Documents to the East Bay Entities for their approval within a reasonable time after the Arbitrator's determination. Raiders shall cause the Project Architect to deliver Preliminary Design Documents that the Arbitrator determines to meet the design criteria set forth in Section 7.3 above to be used for preparation of Working Drawings.

8. WORKING DRAWINGS

8.1 Preparation. After approval by East Bay Entities of the Preliminary Design Documents, Raiders shall cause the Project Architect to complete Working Drawings, including mechanical, electrical, plumbing, structural, crowd circulation and other design requirements for integrating the Stadium Capital Improvements into the existing OACC Stadium.

8.2 Approvals. Raiders shall cause the Project Architect to prepare twelve (12) sets of the Working Drawings for the Stadium Capital Improvements and deliver them to East Bay Entities for their review and approval within a reasonable time after approval of the Preliminary Design Documents as provided in Part 7, above, taking into account the parties' desire to avoid any delays in construction. East Bay Entities

shall approve or disapprove the Working Drawings within a reasonable time after receipt thereof; provided, however, that if no written objection to the submitted Working Drawings is delivered by East Bay Entities to Raiders within ten (10) working days of the date of delivery of the Working Drawings to East Bay Entities then they shall be deemed approved. If East Bay Entities deliver a written notice to Raiders stating in detail the basis for an objection, the parties shall meet the day following the date of delivery of such notice and use their best efforts to settle the matter. If no mutual agreement is reached within two (2) working days after the date of the first meeting then the submitted Working Drawings shall be submitted to the Arbitrator for resolution of any dispute in accordance with Section 6.2. If the Arbitrator disapproves the submitted Working Drawings, then Raiders shall cause the Project Architect to correct such documents based on the determination of the Arbitrator and to deliver new Working Drawings to East Bay Entities for their approval within a reasonable time after the Arbitrator's determination taking into account the parties desire to avoid delays in construction.

9. CONSTRUCTION

9.1 Capital Improvement Costs. East Bay Entities shall solely be responsible for all design and engineering fees and all construction costs and expenses incurred prior to the date hereof. Pursuant to the terms of the Loan Agreement, East Bay Entities shall advance certain funds, up to a maximum of \$49,398,000.00 as such amount may be adjusted pursuant to Section 2.9 of the Loan Agreement (the "Maximum Loan

Facility"), for all design and engineering fees and costs and all construction costs and expenses (including both hard and soft costs) for the Stadium Capital Improvements and for acquisition of certain Executive Suites. Any additional fees, costs or expenses, for design, engineering or construction of the Stadium Capital Improvements, except to the extent that such additional costs are caused solely by changes requested by East Bay Entities the implementation of which (i) results in additional cost of construction or (ii) is inconsistent with the HOK Conceptual Plan or other design criteria set forth in Section 7.3 herein, shall be paid by Raiders. East Bay Entities will advance any additional loan funds required for (i) additional construction costs resulting from change orders initiated by East Bay Entities and (ii) additional construction costs which the Arbitrator has determined shall be borne by East Bay Entities (including costs for delays caused by East Bay Entities) pursuant to Section 6.2 herein, without regard for the Maximum Loan Facility. Prior to the advance of funds pursuant to the Loan Agreement an estimated budget for construction of the Stadium Capital Improvements will be prepared by Raiders and approved by both parties and describe in detail the items to be included as part of the Maximum Loan Facility.

9.2 Construction Contracts. Raiders shall have no obligation to continue or assume any contractual obligations of East Bay Entities existing on the date hereof. Raiders shall select its general contractor (the "General Contractor") and enter into a construction contract with the General Contractor in accordance with this Paragraph. East Bay Entities shall

have the right to approve the General Contractor and the form and substance of such construction contracts, and any other contracts for construction of the Stadium Capital Improvements which approval shall not be unreasonably withheld or delayed. If no written objection to any such construction contract is delivered by East Bay Entities to Raiders within ten (10) working days after delivery of the contract, it shall be deemed approved. Raiders shall cause to be included in all such construction contracts provisions to the effect that:

(a) The General Contractor will act in compliance with the Arbitrator's decisions made in accordance with this OACC Stadium Agreement;

(b) The construction contract is subject to the terms and conditions of this OACC Stadium Agreement;

(c) East Bay Entities shall be indemnified by the General Contractor or any subcontractor in the same manner that the General Contractor or subcontractor indemnifies Raiders or the General Contractor, as the case may be, against identified risks;

(d) East Bay Entities shall have the right, but not the obligation, to observe the work on the Stadium Capital Improvements during construction, provided, however, that such observations shall not interfere with, disturb or impede construction;

(e) The construction contract shall be assignable to East Bay Entities upon termination of this OACC Stadium Agreement or termination of the Operating License;

(f) The General Contractor and all subcontractors and material suppliers shall be liable to East Bay Entities for any damage caused by reason of the failure of the General Contractor or a subcontractor or material supplier to adhere strictly to the construction schedule agreed upon by the parties as provided in Section 9.6 herein, including but not limited to damages incurred by reason of the disruption of any use of the OACC Stadium by the Athletics or any other licensee or user of the OACC Stadium; provided, however, that Raiders shall not be liable to East Bay Entities or any other entity for any such damages caused by the General Contractor or any subcontractor or material supplier;

(g) Payment and performance under all such contracts shall be secured by a bond or bonds in form and from a bonding company satisfactory to East Bay Entities.

(h) All equipment, materials and workmanship used in connection with the Stadium Capital Improvements shall be warranted under terms and for periods of time that are usual and customary in the industry for construction projects of similar size and scope. All such warranties shall be assigned to East Bay Entities upon the earlier of the Completion Date of the Stadium Capital Improvements or the termination of the Operating License.

9.3 Minor Change in Work. Either party (or the Arbitrator) may require changes in the design or construction of the Stadium Capital Improvements not causing an increase in the costs of design or construction or a change to the construction schedule by delivery of written notice to the Project Architect, General Contractor and the other party. If the General Contractor agrees that no adjustment in cost or schedule is necessary, the Project Architect and the General Contractor shall promptly order and implement such change. If the General Contractor, Raiders or East Bay Entities determine that the change will result in an increase in the costs of design or construction or an adjustment to the construction schedule, then the request shall be processed as a change order pursuant to Section 9.4 below.

9.4 Change Orders. In the event Raiders or East Bay Entities (or the Arbitrator) desire to make a change in the construction of the Stadium Capital Improvements, other than a change described in Section 9.3 above, a written change order request shall be delivered to the other party, the Arbitrator, the Project Architect and the General Contractor. All change order requests shall set forth the details of the change in the construction of the Stadium Capital Improvements, an estimate of cost of the change and any proposed adjustments to the construction schedule or Completion Date and shall be signed by the requesting party.

9.4.1 No Change to Working Drawings. If the change does not require a modification to approved Working Drawings, then the parties shall use their best efforts to

agree upon the need for or desirability of a requested change and, if such change is mutually acceptable, a written change order shall be executed by both parties, the Project Architect and the General Contractor setting forth the scope of the construction work to be changed, the allocation of any increase or decrease in costs and the adjustments to the construction schedule. In the event no written objection to the submitted change order is delivered to the party requesting the change order within five (5) working days after delivery of the change order request, the request shall be deemed approved. In the event no mutually acceptable change order is executed by both parties within five (5) working days after the date of delivery of the original request and an objection to the change request has been delivered, then the matter shall be submitted to the Arbitrator in accordance with Section 6.2.

9.4.2 Change to Working Drawings. In the event the change order requires a modification of the approved Working Drawings, such modification shall be delivered to the other party for review. If no written objection to the proposed change to the Working Drawings is delivered by the reviewing party within five (5) working days of the date of delivery of the proposed change to the Working Drawings, then the change shall be deemed approved. If the reviewing party delivers a written notice to the party requesting the change stating in detail the basis for an objection within said five (5) working day period, the parties shall meet the day following the date of delivery of such notice and use their best efforts to settle the matter. If no mutual agreement is reached within two (2) working days after the date of the first

meeting then the submitted proposed change to the Working Drawings shall be submitted to the Arbitrator for resolution of any dispute in accordance with Section 6.2. If the Arbitrator approves the submitted proposed change to the Working Drawings, then Raiders shall cause the Project Architect to correct such documents based on the determination of the Arbitrator and to deliver new Working Drawings to East Bay Entities for their approval within a reasonable time after the Arbitrator's determination taking into account the parties desire to avoid delays in construction.

9.5 Accounts and Records. Raiders, at its sole cost and expense, shall keep or cause to be kept at a convenient location reasonably accessible by the parties hereto separate, accurate and detailed books of account, construction schedules, critical path schedules and other customary construction documents relating to the construction of the Stadium Capital Improvements, including separate accounts for construction of the Executive Suites. East Bay Entities' authorized representatives shall have unrestricted access to the construction site and may upon delivery of reasonable notice examine and copy all of Raiders' books, records, correspondence, instructions, drawings, receipts, vouchers and memoranda as the same relates to the Project Architect or General Contractor, and any other documents relating to the design or construction of the Stadium Capital Improvements, during normal business hours and at the East Bay Entities' sole cost and expense.

9.6 Construction Schedule. The estimated construction schedule and estimated Completion Date of the Stadium Capital Improvements has been determined by the parties and is attached to the Master Agreement as Exhibit K. The Completion Date shall be extended for delays resulting from Force Majeure. Except for delays resulting from Force Majeure or required by a determination of the Arbitrator pursuant to Section 6.2 herein, East Bay Entities and Raiders hereby agree that no changes shall be made in the construction schedule without the prior written consent of the East Bay Entities. In the event Raiders desires to make a change in the construction schedule it shall send written notice of a proposed change along with a detailed explanation of the reason for such change to East Bay Entities and the Arbitrator. If no written objection to such written notice of proposed change is delivered to Raiders by the East Bay Entities within five (5) calendar days after receipt by the East Bay Entities of a request for consent to a proposed change, the construction schedule change shall be deemed approved. If East Bay Entities deliver a written objection within five (5) working days of delivery by Raiders of a schedule change request, the parties shall meet on the day following the date of delivery of such written objection and shall use best efforts to resolve the matter to their mutual satisfaction. In the event the issue of the construction schedule change is not resolved to the mutual satisfaction of the parties within two (2) days after the date of such meeting of the parties, then the proposed schedule change shall be submitted to the Arbitrator for resolution in accordance with Section 6.2. Notwithstanding the foregoing, a party shall not be liable for any claims, damages, costs or expense, including

attorneys' fees, based on a schedule change affecting the other party which arises out of or results from the act or neglect of the other party or the Representative, agents, employees, consultants, contractors, subcontractors or representatives of the other party or which arise out of or results from an event of Force Majeure.

9.7 Event Schedule. East Bay Entities agree to schedule events at the OACC Stadium in such a manner and to the extent possible so as to minimize interference with the construction of the Stadium Capital Improvements as contemplated herein; provided, however, that East Bay Entities shall not be required to violate any of the terms and conditions of the then existing license agreement with the Athletics to accommodate construction of the Stadium Capital Improvements or agreements with other licensees or users of the OACC Stadium to accommodate changes to the construction schedule pursuant to Section 9.6 above.

9.8 Observation and Correction.

(a) East Bay Entities shall have access to the construction site during normal business hours upon delivery of reasonable notice and may (but shall not be obligated to), in its discretion, review and observe construction as frequently and in such manner as it deems necessary at its sole cost and expense. In the event East Bay Entities believe that any portion of the Stadium Capital Improvements has not been properly constructed or has not been constructed in accordance with the Working Drawings, they shall

notify Raiders and the Arbitrator in writing stating the basis for their opinion. If East Bay Entities state in such notice that the failure to correct such work will cause East Bay Entities or any of them to breach a contractual obligation to the Athletics, and Raiders agree, then Raiders shall immediately exercise all rights pursuant to its contracts with the Project Architect, the General Contractor or others to cause the improper work to be corrected or replaced. If Raiders disagrees with East Bay Entities' conclusion that a contractual obligation to the Athletics will be breached, the matter shall be submitted to the Arbitrator to proceed pursuant to Section 6.2 herein. If the Arbitrator determines that such work should be corrected or replaced Raiders shall cause the General Contractor or others to proceed with the correction or replacement of such work.

(b) Raiders is solely responsible for construction and completion of the Stadium Capital Improvements. Neither the right to review and observe construction, nor any report thereon by East Bay Entities, shall constitute an undertaking on behalf of, or for the benefit of, Raiders, its contractors or others to inspect, determine or warrant the quality, quantity or accuracy of construction or that workplaces, operations, machinery or other equipment are safe or healthful or are in compliance with any law, rule, regulation, or the Working Drawings.

9.9 Completion. Upon the Completion Date as defined in this Section 9.9 East Bay Entities shall accept the Stadium Capital Improvements and commence operating the Stadium

pursuant to the license to use and occupy the Stadium Capital Improvements granted by Raiders to East Bay Entities pursuant to Section 3.2 hereof and the Operating License. The "Completion Date" shall occur when each of the following have been provided or accomplished by Raiders:

(a) Raiders and the Project Architect have certified to East Bay Entities in form reasonably satisfactory to East Bay Entities that construction of the Stadium Capital Improvements has been completed in accordance with this OACC Stadium Agreement including without limitation the Working Drawings, construction schedules and budgets approved by East Bay Entities as provided herein, and in a good and workmanlike manner and except as provided in Section 9.9(c) all labor, services, materials and supplies and all other costs and expenses incurred in connection with construction have been paid;

(b) The OACC Stadium is in a clean condition completely free of all trash, rubbish, debris and dirt resulting from construction, and all of the General Contractor's and subcontractors' tools and equipment and any leftover materials and inventory resulting from construction, have been removed;

(c) (i) Either (A) all laborers, materialmen, suppliers and all others who have furnished equipment, supplied materials or performed work for or in connection with the construction of the Stadium Capital Improvements, including but not limited to the General

Contractor and all subcontractors, and all persons who could file a lien, stop notice or claim, have been paid in full and have submitted their final statements with lien waivers or releases satisfactory to East Bay Entities, or (B) the period in which such liens, notices or claims could be filed has expired, and (ii) any liens, claims or stop notices which have been received or served shall have been discharged, released or withdrawn, unless Raiders provides the East Bay Entities with a bond or bonds satisfactory to East Bay Entities to indemnify East Bay Entities from all loss, cost and expense with respect to such liens, claims or notices;

(d) The General Contractor has submitted an affidavit to Raiders and East Bay Entities that such waivers or releases include all of the labor, supplies and materials for which any lien could be filed which affidavit shall be in form reasonably satisfactory to the East Bay Entities;

(e) All work requiring inspection by any governmental authority has been duly inspected and approved by such authority, and all applicable permits or approvals required for the occupancy of the Stadium Capital Improvements shall have been duly issued; and in addition, all work shall otherwise have been completed in accordance with all applicable laws, or other governmental rules and regulations;

(f) Raiders has executed and recorded a notice of completion which certification shall be in form reasonably satisfactory to the East Bay Entities;

(g) Raiders has received and accepted the Project Architect's certification of completion of the Stadium Capital Improvements;

(h) The Project Architect has certified to Raiders and the East Bay Entities that the Stadium Capital Improvements are ready for use by the public which certification shall be in form reasonably satisfactory to the East Bay Entities;

(i) Raiders has received assignments of all warranties from the General Contractor, all subcontractors, mechanics and materialmen, which assignments shall be in form reasonably satisfactory to the East Bay Entities;

(j) At East Bay Entities' sole discretion and at their sole cost and expense, a title company has provided Raiders and the East Bay Entities with title insurance or endorsements satisfactory to the East Bay Entities that the OACC Stadium is free from all liens related to the construction of Stadium Capital Improvements except those liens caused by East Bay Entities;

(k) The General Contractor or the Project Architect has delivered to East Bay Entities one copy of a complete set of "as built" drawings and a written certification that the "as built" drawings are a fair and accurate representation of the actual construction, which certification shall be in form reasonably satisfactory to the East Bay Entities;

(1) All conditions to disbursements of the final advances of the OACC Project Loan and the Executive Suite Project Loan under the Loan Agreement have been satisfied;

(m) All other requirements establishing the Completion Date as set forth in Section 2.6 of the Loan Agreement have been satisfied.

9.10 Insurance. Raiders shall cause the General Contractor to obtain and maintain insurance in amounts and with insurers approved by East Bay Entities, which approval shall not be unreasonably withheld or delayed, providing coverage for general liability and casualty, builder's risk, course of construction, workers' compensation and property damage. All policies, except workers' compensation, shall name East Bay Entities as co-insureds or loss payees as their interests may appear, and shall not be cancellable except upon thirty (30) days' prior written notice to the East Bay Entities.

9.11 Liens. Raiders shall take all necessary action in a timely manner, at its sole cost and expense (including attorneys' fees), to maintain the OACC Stadium and Stadium Capital Improvements free of liens or claim of liens from the General Contractor, subcontractors, suppliers, mechanics or materialmen. Raiders shall not create, incur, assume or suffer to exist any mortgage, deed of trust, pledge or other lien, charge or encumbrance of any kind upon, or any security interest in, the OACC Complex, the Stadium Capital Improvements, or any portion thereof, or any other OACC Stadium

real property owned by Raiders or any other property of Raiders affixed to the OACC Complex except the respective liens created in favor of the East Bay Entities by the execution and delivery and proper filing and recording of the appropriate Security Instruments, without the prior written approval of the East Bay Entities in each instance. Without limiting the generality of the foregoing, Raiders shall not permit any mechanic's or materialman's or similar lien to be filed against the OACC Complex or the Stadium Capital Improvements, or any portion thereof, or any other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Complex by reason of any construction performed by or on behalf of Raiders. If any such liens are filed, or if any verified claim or stop notice shall have been received, Raiders shall immediately take such actions as may be necessary to discharge or release the same and shall furnish the East Bay Entities with a bond satisfactory to the East Bay Entities to release the OACC Complex and Stadium Capital Improvements or any other OACC Stadium real property owned by Raiders or any other property of Raiders affixed to the OACC Complex from such liens, claims or notices and to indemnify East Bay Entities, and each of them, from all loss, damage, cost or expense or claim including reasonable attorneys' fees and costs with respect to such lien, claim or notice. As a condition precedent to the obligation of East Bay Entities to make disbursements pursuant to the Loan Agreement, Raiders shall furnish the East Bay Entities with lien waivers and releases reasonably satisfactory to the East Bay Entities with respect to the costs of labor, supplies and materials included in all previous loan disbursements, which waivers and releases shall

be executed by the parties furnishing such labor, supplies and materials. Raiders shall cause the General Contractor to notify East Bay Entities in writing of the intended Construction Commencement Date no less than three (3) working days prior thereto to allow East Bay Entities to post any notices of nonresponsibility for payment of labor, services, supplies materials or other costs of construction.

9.12 Completion For 1992 Season. Raiders will use its best efforts to pursue diligently and complete the construction of the Stadium Capital Improvements prior to the commencement of the 1992 Raiders Season.

9.13 Failure to Proceed. Without limiting any other rights or remedies East Bay Entities may have, if Raiders fails to act in accordance with the approved construction schedule as may be modified from time to time in accordance with the terms hereof for the Stadium Capital Improvements or is otherwise in default under this OACC Stadium Agreement and if such failure or default is not cured within thirty (30) days after the delivery to Raiders of written notice by East Bay Entities, East Bay Entities, without obligation to do so, may enter in and upon all or any part of the OACC Complex or any other premises necessary to allow East Bay Entities to manage and control the construction of the Stadium Capital Improvements for the account of Raiders and may, without obligation to do so, assume all contracts of Raiders related to the design and construction of the Stadium Capital Improvements; provided, however, that with respect to any default which cannot be reasonably cured within thirty (30) days, the default shall not

be deemed to be uncured if Raiders commences to cure within ten (10) working days from East Bay Entities' notice and thereafter prosecutes diligently and continuously to completion all acts required to cure the default. In the event East Bay Entities elects to manage and control the construction of the Stadium Capital Improvements for the account of Raiders, East Bay Entities shall at their option (i) advance loan funds to Raiders or (ii) make such payments directly to the party or parties entitled thereto for all construction work performed prior to the date of such election which has been performed pursuant to the terms of this OACC Stadium Agreement and for which disbursements have not been made.

The exercise by East Bay Entities of their rights under this Section shall not relieve or diminish the obligation of Raiders to pay for costs of construction in excess of the Maximum Loan Facility for the Stadium Capital Improvements as provided herein; provided, however, East Bay Entities shall exercise reasonable care and construction and management practices in an effort to minimize the actual costs of construction and shall use their best efforts to avoid cost increases.

10. INDEMNITY

Raiders shall cause the Project Architect and the General Contractor or any subcontractor to indemnify, hold harmless and defend East Bay Entities, and each of them, their employees, Representative, agents and representatives from and against any and all losses, claims, damages, actions, causes of

action, costs, expenses and fees, including without limitation reasonable attorneys' fees and costs arising out of or resulting from the design or construction of the Stadium Capital Improvements in the same manner and to the same extent that such indemnities and defenses are provided to Raiders.

11. MISCELLANEOUS

11.1 Attorneys' Fees. If any party shall institute any legal action or proceeding to enforce, protect or establish any right or remedy arising out of this OACC Stadium Agreement, the prevailing party or parties shall be entitled to recover from the other parties all expenses and costs of litigation, including, reasonable attorneys' fees and costs incurred in such action or proceeding, and any such expenses and costs of any appeals taken from such action or proceeding.

11.2 Notices. All notices, requests, demands, consents, approvals and other communications required or permitted to be given or delivered hereunder shall be in writing and shall be considered given and received either when delivered in person to the party as named below or to the Representative of such party named pursuant to this OACC Stadium Agreement, or on the fifth day after deposit in the United States Postal Service in a sealed envelope, either registered or certified mail, return receipt requested, postage prepaid, addressed to the party or the Representative of such party, or on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the party at the following address:

Raiders: Los Angeles Raiders
332 Center Street
El Segundo, CA 90245

Copy to: _____

East Bay Entities or to the City,
County or Coliseum individually:

City: City of Oakland
One City Hall Plaza
Oakland, CA 94612

County: County of Alameda
1221 Oak Street
Oakland, CA 94612

Coliseum: Oakland-Alameda County Coliseum, Inc.
Administrative Offices
Nimitz Freeway & Hegenberger Road
Oakland, CA 94621

Copy to: Crosby, Heafey, Roach & May
1999 Harrison Street
Oakland, CA 94612

The addresses set out above may be changed from time to time by written notice in compliance with this section.

The names and addresses for the Representatives for each party shall be delivered to the other party within five (5) days of the appointment or replacement of the Representative.

11.3 Governing Law. This OACC Stadium Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of California applicable to contracts made between residents of and to be performed wholly within such state.

11.4 Exhibits. All exhibits attached to this OACC Stadium Agreement are hereby incorporated by this reference.

11.5 Headings. The captions or paragraph headings used herein are for convenience only and are not a part of this OACC Stadium Agreement. The same shall not be referred to in construing or interpreting this OACC Stadium Agreement.

11.6 Time of Essence. Time is of the essence of this OACC Stadium Agreement and all of its provisions.

11.7 Integration. The Agreements constitute the sole and entire agreement between East Bay Entities and Raiders with respect to the matters contemplated thereby, and no prior agreements or understandings between East Bay Entities and Raiders pertaining to such matters shall be effective for any purpose. No alteration, amendment or modification of any of

the Agreements shall be valid unless by an instrument in writing executed by each party hereto with the same formality as such Agreement. None of the Agreements nor any provision thereof can be changed, modified or abandoned, in whole or in part, except by instrument in writing, and no subsequent oral agreement shall have any validity.

11.8 Further Assurances. The parties hereto hereby agree to cooperate with each other, to exercise good faith in concluding the transactions which are contemplated by this OACC Stadium Agreement, and to execute and deliver such further documents, agreements and instruments as may be required to carry out the agreements and intentions expressed herein.

Dated: _____, 1990.

CITY OF OAKLAND

By _____
Its _____

COUNTY OF ALAMEDA

By _____
Its _____

OAKLAND-ALAMEDA COUNTY COLISEUM

By _____
Its _____

LOS ANGELES RAIDERS, a
California Limited Partnership

By _____
a California corporation,
its General Partner

By _____
Its President

Table 2

ERA'S OPINION OF REVENUE POTENTIAL FROM REVISED SPORTSCORP PLAN

| <u>Seating Category</u> | <u>Sports Corp Plan Number of Seats</u> | <u>Ten Year Fee (One Time)</u> | <u>Annual Fee</u> | <u>Sports Corp Plan Potential 1st yr Revenue</u> | <u>ERA's Opinion of 95% Attainmt Likelihood</u> | <u>Independent ERA Forecast of 1st yr Cap</u> |
|-------------------------------------|---|--|-----------------------|--|---|---|
| Club Loge Seat A | 620 | \$16,000 | | \$9,920,000 | 95% | \$9,424,000 |
| Club Loge Seat B | 2,440 | \$8,500 | | \$20,740,000 | 95% | \$19,703,000 |
| Field Level Loge A | 4,378 | \$3,000 | | \$13,134,000 | 85% | \$11,163,900 |
| Field Level Loge B | 2,864 | \$2,500 | | \$7,160,000 | 85% | \$6,086,000 |
| Field Level Loge C | 4,946 | \$2,000 | | \$9,892,000 | 75% | \$7,419,000 |
| Club Seat A | 1,254 | | \$850 | \$1,065,900 | 90% | \$959,310 |
| Club Seat B | 3,560 | | \$700 | \$2,492,000 | 90% | \$2,242,800 |
| Club Seat C | 3,592 | | \$400 | \$1,436,800 | 75% | \$1,077,600 |
| Premium Seat A | 2,644 | | \$300 | \$793,200 | 80% | \$634,560 |
| Premium Seat B | 4,200 | | \$225 | \$945,000 | 75% | \$708,750 |
| Premium Seat C | 1,500 | | \$200 | \$300,000 | 75% | \$225,000 |
| Premium Seat D | 2,000 | | \$150 | \$300,000 | 75% | \$225,000 |
| Premium Seat E | 2,500 | | \$50 | \$125,000 | 75% | \$93,750 |
| Luxury Boxes (83 boxes @ 12 per) | <u>996</u> | | \$45,000 | <u>\$3,735,000</u> | <u>95%</u> | <u>\$3,548,250</u> |
| TOTAL | 37,494 | | | \$72,038,900 | 88% | \$63,510,920 |

MARKETING STRATEGY SUMMARY

September 12, 1989

Overview:

In order to generate sufficient revenues to offset the costs associated with the renovation of the Oakland Coliseum, and generate adequate revenues to cover the costs associated with the proposed relocation by the Raiders and certain revenues guarantees offered to induce the team to relocate, a number of "Seating Products" will be offered within the stadium. These seating products will be sold in addition to, and in some cases in conjunction with, tickets to Raiders games.

There will be five general Seating Product categories:

- **Executive Suites**
- **Club Seats**
- **Loge Seats**
- **Location Premium Seats**
- **General Admission**

Executive Suites:

Ninety-eight (98) Executive Suites will be constructed in a double decked fashion, generally in the rear of the second deck seating. Amenities for the Suites will include a wet bar, closed circuit television and sound systems, catering facilities, special lavatories, Club privileges, lounge area within the Suites, twelve (12) tickets to Raiders home games, three (3) complimentary, preferred parking passes to each Raiders' game, and full VIP Services.

The Marketing Strategy assumes that eighty-three (83) Suites will be licensed on a ten (10) year basis at an initial rate of \$45,000 per year. Catering, liquor, and other similar costs will be billed in addition to the license fee.

Club Seats:

Approximately 8,000 seats on the second level of the stadium will be designated as Club Seats. These seats will have direct access to the Stadium Club, a full

service facility which will be constructed and operated in the concourse area immediately behind the seats on the second deck.

In addition to full Club benefits, Club members will be entitled to preferred parking locations, the right to purchase their particular seat for all non-baseball events held in the stadium, waitress service to their seats, premium concessions, scorecards, press packets and other similar amenities, use of the VIP Ticket and Services Office, and the right to renew their licenses.

Club Seats will be marketed for an annual fee ranging from \$400 to \$850 per year.

Loge Seats:

The 16,000 best seats in the stadium will be marketed on a special future rights basis. That is, for a single, up-front fee, along with a modest annual maintenance fee, the purchaser will own the right to a particular seat in a premium location which will include certain unique benefits for a period of up to ten years.

The rights to these Loge Seats will be fully transferable and be located on the Field Level along the sidelines between, roughly, the 20 yard lines, and on the Club Level between the 35 yard lines. The Club Level Loge Seats will have, in addition to the Loge Seat benefits, full Stadium Club amenities and privileges.

The single payment for the ten year term for the Field Loge Seats will range from \$2,000 to \$3,000. The Club Loge seats will sell for \$8,500 or \$16,000.

Location Premium Seats:

These are seats in the remaining better locations in the stadium on the Field Level and in the upper deck. In addition to the better locations, these seats will also include the right to renew season tickets.

Approximately 8,000 Location Premium Seats will be licensed at annual rates ranging from \$50 to \$300.

General Admission:

These seats, in the remaining areas of the stadium, will be sold for the face value of the tickets with no premium attached. These seats will not include the automatic right to renewal and may be sold on a seasonal or game by game basis.

| PRODUCT | PREMIUM | ----- ENTIRE SAMPLE ----- | | | | | --- EXHIB GAME --- | | -- MARONEY/RAIDERS -- | |
|---------------|---------|---------------------------|--------|---------|--------|---------|--------------------|-------|-----------------------|-------|
| | | COMP INT | % | # SEATS | % | AVG #/P | COMP INT | % | COMP INT | % |
| Exec Suites | 45,000 | 5 | 0.5% | 60 | 1.7% | 12.0 | 2 | 0.3% | 3 | 0.7% |
| Club Loge | | 19 | 1.7% | 83 | 2.3% | 4.4 | 6 | 0.9% | 13 | 3.0% |
| Loge A | 16,000 | 6 | 0.5% | 35 | 1.0% | 5.8 | 4 | 0.6% | 2 | 0.5% |
| Loge B | 8,500 | 13 | 1.2% | 48 | 1.3% | 3.7 | 2 | 0.3% | 11 | 2.6% |
| Field Loge | | 141 | 12.7% | 557 | 15.4% | 4.0 | 83 | 12.2% | 58 | 13.5% |
| Field A | 3,000 | 82 | 7.4% | 321 | 8.9% | 3.9 | 41 | 6.0% | 41 | 9.6% |
| Field B | 2,500 | 27 | 2.4% | 121 | 3.4% | 4.5 | 20 | 2.9% | 7 | 1.6% |
| Field C | 2,000 | 32 | 2.9% | 115 | 3.2% | 3.6 | 22 | 3.2% | 10 | 2.3% |
| Club Seat | | 103 | 9.3% | 415 | 11.5% | 4.0 | 44 | 6.5% | 59 | 13.8% |
| Club A | 850 | 62 | 5.6% | 271 | 7.5% | 4.4 | 25 | 3.7% | 37 | 8.6% |
| Club B | 700 | 13 | 1.2% | 60 | 1.7% | 4.6 | 10 | 1.5% | 3 | 0.7% |
| Club C | 400 | 28 | 2.5% | 84 | 2.3% | 3.0 | 9 | 1.3% | 19 | 4.4% |
| Premium Seat | | 436 | 39.4% | 1,598 | 44.3% | 3.7 | 256 | 37.7% | 180 | 42.0% |
| Premium A | 300 | 153 | 13.8% | 633 | 17.6% | 4.1 | 92 | 13.5% | 61 | 14.2% |
| Premium B | 225 | 55 | 5.0% | 188 | 5.2% | 3.4 | 36 | 5.3% | 19 | 4.4% |
| Premium C | 200 | 78 | 7.0% | 259 | 7.2% | 3.3 | 42 | 6.2% | 36 | 8.4% |
| Premium D | 150 | 34 | 3.1% | 122 | 3.4% | 3.6 | 20 | 2.9% | 14 | 3.3% |
| Premium E | 50 | 116 | 10.5% | 396 | 11.0% | 3.4 | 66 | 9.7% | 50 | 11.7% |
| General Adm's | 0 | 355 | 32.0% | 893 | 24.8% | 2.5 | 251 | 37.0% | 104 | 24.2% |
| Neg. Response | | 49 | 4.4% | | | | 37 | 5.4% | 12 | 2.8% |
| Pos. Response | | 1,059 | 95.6% | 3,606 | 100.0% | 3.4 | 642 | 94.6% | 417 | 97.2% |
| Premium Prod | | 704 | 66.5% | 2,713 | 75.2% | 3.9 | 391 | 60.9% | 313 | 75.1% |
| TTL COMPLETED | | 1,108 | 100.0% | 3,606 | | 3.4 | 679 | | 429 | |
| INCOMP INTVWS | | 731 | | | | | | | | |
| Unreachable | | 579 | | | | | | | | |
| Wrong #s | | 152 | | | | | | | | |
| TTL ATTEMPTS | | 1,839 | | | | | | | | |

OAKLAND MARKETING SURVEY RESULTS

30-Aug-89

| PRODUCT | - STADIUM LAYOUT - | | - SURVEY RESULTS - | | FINANCIAL COMPARISON | |
|---------------|--------------------|---------|--------------------|--------------------------|----------------------|--------------|
| | PROJECTD | % SEATS | % SEATS | # OF SEATS | PROJECTIONS | SURVEY |
| Exec Suites | | | | | | |
| Club Loge | 1,860 | 3.0% | 2.3% | 1,475 | \$20,460,000 | \$17,200,153 |
| Loge A | 620 | 1.0% | 1.0% | 622 | \$9,920,000 | \$9,950,502 |
| Loge B | 1,240 | 2.0% | 1.4% | 853 | \$10,540,000 | \$7,249,651 |
| Field Loge | 10,754 | 17.1% | 15.7% | 9,897 | \$26,851,000 | \$26,573,171 |
| Field A | 4,026 | 6.4% | 9.1% | 5,704 | \$12,078,000 | \$17,111,310 |
| Field B | 2,634 | 4.2% | 3.4% | 2,150 | \$6,585,000 | \$5,375,048 |
| Field C | 4,094 | 6.5% | 3.2% | 2,043 | \$8,188,000 | \$4,086,813 |
| Club Seat | 6,307 | 10.0% | 11.7% | 7,374 | \$4,222,450 | \$5,436,350 |
| Club A | 2,031 | 3.2% | 7.6% | 4,815 | \$1,726,350 | \$4,093,032 |
| Club B | 2,619 | 4.2% | 1.7% | 1,066 | \$1,833,300 | \$746,288 |
| Club C | 1,657 | 2.6% | 2.4% | 1,493 | \$662,800 | \$597,030 |
| Premium Seat | 8,985 | 14.3% | 45.1% | 28,394 | \$1,515,225 | \$5,723,316 |
| Premium A | 644 | 1.0% | 17.9% | 11,248 | \$193,200 | \$3,374,286 |
| Premium B | 1,159 | 1.8% | 5.3% | 3,341 | \$260,775 | \$751,618 |
| Premium C | 2,665 | 4.2% | 7.3% | 4,602 | \$533,000 | \$920,421 |
| Premium D | 3,024 | 4.8% | 3.4% | 2,168 | \$453,600 | \$325,168 |
| Premium E | 1,493 | 2.4% | 11.2% | 7,036 | \$74,650 | \$351,821 |
| General Admis | 35,102 | 55.7% | 25.2% | 15,867 | \$0 | \$0 |
| Neg. Response | | | | | | |
| Pos. Response | | | | | | |
| | | | | UP FRONT LOGE REVENUE | \$47,311,000 | \$43,773,324 |
| | | | | ANNUAL RECURRING REVENUE | \$5,737,675 | \$11,159,666 |
| Premium Prod | | | | | | |
| TTL COMPLETED | 63,008 | 100.0% | 100.0% | 63,008 | | |
| INCOMP INTVWS | | | | | | |
| Unreachable | | | | | | |
| Wrong #s | | | | | | |
| TTL ATTEMPTS | | | | | | |

SPORTSCORP LTD.

Kenneth Leventhal & Company

Certified Public Accountants

100 Spear Street, Suite 1200
San Francisco, California 94105
415 777-3640
FAX 415 777-9572

August 31, 1989

| | |
|---------------|-----------|
| Los Angeles | Dallas |
| Washington DC | Houston |
| Columbus | Phoenix |
| New York | San Diego |
| Newport Beach | Chicago |
| Miami | |

Mr. Robert G. Quintella
Executive Vice President
Oakland-Alameda County Coliseum Complex Inc.
Nimitz Freeway and Hegenberger Road
Oakland, California 94621

Dear Mr. Quintella:

In accordance with the terms of our engagement, we have prepared a fiscal and economic impact analysis of the proposed expansion of the Oakland Coliseum, and return of the Raiders NFL team to play in the facility.

Our analysis indicates that significant positive direct and indirect impacts would accrue to Oakland and Alameda County agencies from the proposed expansion program and operating agreements with the Raiders.

An executive summary of the findings from our research and analysis is provided here, including significant assumptions underlying the analysis.

While Kenneth Leventhal & Company has made reasonable efforts to verify the accuracy of the information utilized in this analysis, and accordingly, while it is presumed that the information relied upon is accurate, Kenneth Leventhal & Company does not warrant its accuracy. Since this information was used as the basis for our analysis, if significant assumptions related to Coliseum expansion or Raider operations change, the findings presented here could be significantly affected.

This analysis is solely for the information of, and assistance to, management and directors of the Oakland-Alameda County Coliseum Complex Inc., for their evaluation of the Corporation's financial interests, and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the registration statement or any other document, without our prior written approval. We have no responsibility for updating the report subsequent to the date of issue.

We appreciate having again had the opportunity to serve the Oakland-Alameda County Coliseum Complex.

Very truly yours,



BRUCE A. MILLER
of Kenneth Leventhal & Company

BAM:hes/8156B

cc: Mr. Ezra Rapport

MARKETING STRATEGY
FOR
OAKLAND-ALAMEDA COUNTY COLISEUM
EXPANSION

PREPARED FOR
OAKLAND-ALAMEDA COUNTY COLISEUM

GEORGE J. VUKASIN
President, Oakland-Alameda County Coliseum

LIONEL J. WILSON
Mayor, City of Oakland

DON PERATA
Chairman, Alameda
County Board of
Supervisors

February 15, 1990

PREPARED BY
SPORTSCORP LTD.

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| Mayor Tom Kitayama | Vice President |
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February 15, 1990

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444 NORTH MICHIGAN AVENUE SUITE 2910
CHICAGO, ILLINOIS 60611
(312) 836-0600

February 15, 1990

Mr. George Vukasin
President and Chief Executive Officer
Oakland-Alameda County Coliseum Complex
Nimitz Freeway and Hegenberger Road
Oakland, California 94621

Dear Mr. Vukasin:

We are pleased to submit this Strategy Report for the marketing plan associated with the East Bay's efforts to secure a National Football League franchise, in particular the Raiders.

As you are aware, the economics associated with the NFL have changed dramatically since Oakland last hosted a team. The League has not expanded since the mid-1970's. However, the number of communities which are seeking to secure teams has grown markedly. These conditions, coupled with the fact that the courts have allowed relatively easy team relocations, have created a market where very significant financial packages in must be generated by a community for it to even have a chance of attracting a franchise.

Though most communities seeking football teams do not prefer this set of circumstances, they recognize it is the price that must be paid in order to "be in the game." They have come to understand that NFL franchises generate a tremendous amount of positive economic impact annually for the regions in which they play, often offsetting most, if not all, of the resources needed to attract the teams in the first place. Perhaps more importantly, NFL teams offer their host communities intangible benefits that can be neither calculated nor duplicated. They bring national and international exposure on a year-round basis. They generate a community spirit that crosses economic, geographic, and racial boundaries. Your community has experienced first-hand what the success of football and baseball franchises can mean to the quality of life of a community, as well as to its economic welfare.

Just as the economics of attracting an NFL team have changed, so have the economics associated with its stadium seating operations. The past few years have resulted in flat revenues from the NFL's greatest source of income, television. However, player salaries and other expenses have continued to increase. The result has been that teams and communities are finding ways of raising substantial additional revenues from what is basically the same activity: the playing of football games.

In the preparation of the marketing program we endeavored to achieve certain ideals:

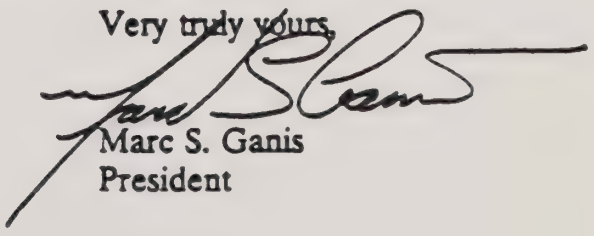
- ♦ Minimize or eliminate Public Sector contributions;
- ♦ Maximize the Coliseum's revenues from the added value of hosting an NFL team;
- ♦ Generate enough new revenue to offset the cost of attracting the NFL team;
- ♦ Generate enough new revenue to offset the cost of constructing the necessary improvements to the Coliseum;
- ♦ Utilize the most advanced and creative methods of revenue enhancement available within the NFL and sports generally; and,
- ♦ Set at least approximately 40% of the available seating as General Admission seats with no premium attached.

We believe the strategy achieves these goals. We further believe that the assumptions that have been made regarding the results of the marketing program are sound and reasonable especially when compared to the results in other NFL cities such as Phoenix and Miami. This is highlighted when the economic demographics of the East Bay, as well as its tremendous enthusiasm for NFL football and the Raiders in particular, are compared to those in Phoenix and Miami.

Attached you will find a general outline of the marketing program, descriptions of the variety of "products" to be offered including amenities, location, pricing, other benefits, seat counts, projected market penetration, comparisons with other NFL cities, and respective marketing results. Considering the area's demographics and interest in football, we believe that NFL football in the East Bay will certainly produce marketing results at least equal to Phoenix and Miami. Thus, we are very confident that the Raiders may be attracted to Oakland with little or no public sector subsidy.

Thank you for the opportunity to participate in the East Bay's exciting drive to attract the National Football League.

Very truly yours,



Marc S. Ganis
President

MSG/cmc
Enclosures

MARKETING STRATEGY

MARKETING STRATEGY

In order to offset most or all of the costs associated with attracting a National Football League franchise to Oakland the Coliseum must realize at least a portion of the potential revenues which can be generated. We recommend marketing a series of "Seating Products".

"Seating Products," differentiated by location, amenity packages, transferability, and cost, have been used in stadiums, to one degree or another, since the advent of the business of spectator sports. This plan proposes to have the Coliseum capture much of the added value of having an NFL team play in the stadium. This would have the desired effect of mitigating the cost to the taxpayers while creating a progressive "user fee" structure which should offset the expense of attracting the team and retiring debt on the facility's renovation.

An extraordinary loyal fan base to the Raiders currently exists in the East Bay. The level of enthusiasm and identity this community and the Raiders is more like a major college and its alumni than a professional team and a city.

In all cases, the marketing strategy establishes product pricing and marketing assumptions based on the actual results of similar programs around the NFL, with special emphasis on Phoenix and Miami. Both of these cities had aggressive Seating Product marketing campaigns. Their demographics are considered generally less attractive than the East Bay's.

SEATING PRODUCTS

In order to maximize revenues from stadium operations a broad spectrum of seating products will be offered to the public. The basic concept is to create a "Chinese Menu" where an affordable seat is available for everyone who would like to attend professional football games in the East Bay. This approach directly mirrors the seating trends and revenue enhancement innovations currently underway within the National Football League and a number of major college programs.

The first innovation, which is now commonplace, has been the advent of skyboxes, or Executive Suites. These are private boxes, usually climate controlled seating 12 with a large entertaining area, wet bar, exclusive lavatories, and closed circuit television and sound systems, are now found in virtually every NFL stadium. (See attached chart.) They range in prices from the low \$20,000's to \$100,000 per year. This has become the most significant new source of revenue for many NFL clubs.

Following on the heels of the skybox phenomenon are Club Seats. That is, a special section of seats, usually in preferred locations, that are directly attached to a stadium club offering liquor, premium concessions, waitress service, and other amenities. The most effective example of Club Seating is in Miami where Joe Robbie virtually built a new stadium with revenues from this source. A number of other franchises currently use Club

Seating including the Phoenix Cardinals, Denver Broncos, and Cleveland Browns. Others, such as the Atlanta Falcons and Washington Redskins have announced plans for new stadiums which rely heavily on revenues from this luxury seating category.

Most recently, an additional source of revenue has begun to be tapped by NFL franchises. Certain teams have begun marketing Premium Seats. That is, seats which have a premium price based solely on their location within the stadium. In most sports this is known as "scaling the house." Baseball, basketball, and hockey have been following the practice of charging more money for better seats since the sports were first promoted. The NFL has traditionally lagged behind in this area, preferring one, two or three ticket prices for the entire stadium. Premium Seating now allows teams to have rather dramatic price distinctions within the stadium thereby maximizing their revenues.

Due to the fact that most teams' best seats have been held by the same ticket holders for a number of years, many franchise owners have been reluctant to institute a Premium Seat policy for fear of alienating these fans. However, those teams in new, or "virgin", markets, in which the East Bay would be categorized, and those moving into new stadiums, have been using this revenue enhancement method. The best example of the use of Premium Seats is in Phoenix where the Cardinals have sold approximately 29,000 season tickets with some premium attached even as General Admission Attendance declined in 1989. As the disparity in revenue among franchises within the NFL becomes greater, we can expect more and more teams to utilize the Premium Seat concept.

The natural evolution of the Premium Seat is the Loge Seat. The Loge Seat is, essentially a Premium Seat with certain other rights and amenities included. The principle additional feature is the right to freely transfer the right to the Loge Seat on an event by event or long term basis. Additionally, the Loge Seat licensee typically is granted the right to purchase that particular seat for any open event held within the facility. They also receive preferred parking, access to a VIP Services office, and restricted access in their preferred seating areas. In return for these rights and amenities over a long-term period, the Loge Seat licensee pays a one-time, up-front fee plus a small annual maintenance fee. The pricing is usually set in such a way as to be consistent with the Premium Seat pricing structure if it were annualized. In effect, the facility offers additional rights and amenities to the Loge Seat holder over a Premium seat license in exchange for factoring, or paying up-front, the fees that would otherwise have been paid over the term of a license agreement. This technique or a variation of it, is commonly used by major university athletic departments.

The Club Loge Seat is a Loge Seat, with all of its rights and amenities, that is located on the Club Level, with all of the Club benefits accruing to the license holder. Typically, these are wealthy individuals for whom price or pricing structure is of little consequence. As the Dolphins and Cardinals found when marketing their premium products, they could not overprice the best seats in the house. The phenomenon in the NFL is that the best seats will sell at virtually any price, even if the seats directly across the aisle are priced much lower. In Phoenix, the Cardinals charge \$2,000 per seat on the Club Level at the fifty-yard line and have a waiting list for these seats.

PREMIUM LOCATION SEATS

Premium Location Seat A

- Location:** The first few rows between roughly the 30 yard lines on the Field Level. These are otherwise among the best seats in the house because of their proximity to the action. However, the views may be restricted at times due to the players standing by the benches. Additionally, the lower level on either side of the cross aisle from the 20 yard line to the goal line.
- Amenities:** ♦ Premium Location Seating
- Transferability:** Not available.
- Term:** Licenses will be for a period of up to five (5) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** An annual fee of \$300 will be charged.
- Number Available:** 3,096 Seats.
-

PREMIUM LOCATION SEATS

Premium Location Seat B

- Location:** The sections in the outfield end zone on the Club Level.
These seats will not have access to the Stadium Club or the Club amenities.
- Amenities:** ♦ Premium Location Seating
- Transferability:** Not available.
- Term:** Licenses will be for a period of up to five (5) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** An annual fee of \$225 will be charged.
- Number Available:** 3,724 Seats.
-

PREMIUM LOCATION SEATS

Premium Location Seat C

Location: The sections on either side of the cross aisle on the Field Level from the goal line to the endline, as well as the first few rows of seats in the Upper Level between the 45 yard lines.

Amenities: ♦ Premium Location Seating

Transferability: Not available.

Term: Licenses will be for a period of up to five (5) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.

Price: An annual fee of \$200 will be charged.

Number Available: 1,754 Seats.

PREMIUM LOCATION SEATS

Premium Location Seat D

Location: The sections in front of the cross aisles on the Field Level roughly between the goal line to the corner of the end zone, as well as the first seven rows of seats in the Upper Level from the 45 to the 30 yard lines.

Amenities: ♦ Premium Location Seating

Transferability: Not available.

Term: Licenses will be for a period of up to five (5) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.

Price: An annual fee of \$150 will be charged.

Number Available: 2,523 Seats.

PREMIUM LOCATION SEATS

Premium Location Seat E

- Location: End zone seats in the Field Level and behind the cross aisle.
- Amenities: ♦ Premium Location Seating
- Transferability: Not available.
- Term: Licenses will be for a period of up to three (3) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price: An annual fee of \$50 will be charged.
- Number Available: 2,842 Seats.
-

NFL SKYBOX SURVEY

PRO FOOTBALL SKYBOXES

NFL STADIUMS

| FRANCHISE-STADIUM | SKYBOXES | YEAR OPENED |
|---------------------------|----------|-----------------------------|
| Atlanta-Fulton County | 38 | 12 in 1978, 26 in 1988 |
| Buffalo-Rich | 50 | 34 in 1973, 16 in 1984 |
| Bears-Soldier | 176 | built in '82, '88, and '89 |
| Cincinnati-Riverfront | 20 | in 1970-71 |
| Cleveland-Municipal | 108 | in 1975 |
| Dallas-Texas | 296 | 178 in 1971, 118 in 1985 |
| Denver-Mile High | 60 | in 1986 |
| Detroit-Silverdome | 102 | in 1975 |
| Green Bay-Lambeau | 72 | in 1985 |
| Houston-Astrodome | 55 | in 1965 |
| Indianapolis-Hoosier Dome | 99 | in 1984 |
| Kansas City-Arrowhead | 81 | in 1972 |
| L.A. Raiders-Coliseum | None | |
| L.A. Rams-Anaheim | 108 | in 1980 |
| Miami-Joe Robbie | 216 | in 1987 |
| Minnesota-Metrodome | 115 | in 1982 |
| New Orleans-Superdome | 92 | 64 in 1975, 28 in 1987 |
| New England-Sullivan | 42 | in 1983 |
| N.Y. Jets-Giants | 72 | in 1976 |
| N.Y. Giants-Giants | 72 | in 1976 |
| Philadelphia-Veterans | 89 | 27 in 1985, 52 in 1986-7 |
| Pittsburgh-Three Rivers | 104 | in 1970 |
| Phoenix-Sun Devil | 60 | boxes for 1989 |
| San Diego-Jack Murphy | 79 | 29 in '80, 44 in '84, 6-'85 |
| San Francisco-Candlestick | 81 | 55 in 1986, 26 in 1987 |
| Seattle-Kingdome | 55 | 8 in 1982, 47 in 1988 |
| Tampa Bay-Tampa | 57 | 24 in 1976, 36 in 1984 |
| Washington-RFK | None | |

MIAMI / PHOENIX COMPARISON

COMPARISONS AND CONTRASTS
OF OAKLAND MARKETING STRATEGY
WITH RESPECT TO MIAMI AND PHOENIX

Miami

Joe Robbie Stadium was opened in August of 1988. It cost \$114,000,000 and was financed completely with private funds. This financing is being repaid from direct stadium revenues. These include the licensing of Executive Suites, Club Seats, fixed advertising, rental paid by the Dolphins, and other revenues generated by the operation of concession services and parking lots for the 14 annual events held at the stadium.

The pricing and marketing results of Suites and Club Seats sold in Miami compares favorably with the Oakland-Alameda County Marketing Strategy.

| <u>Product</u> | <u>Number</u> | <u>Price</u> |
|----------------|-----------------|------------------------------|
| Suites | 154 of 214 | \$29-65,000 per year |
| Club Seats | 8,500 of 10,000 | \$340-1,140 premium per year |

In Oakland the Strategy includes the following:

| <u>Product</u> | <u>Number</u> | <u>Price</u> |
|----------------|-----------------------|------------------------------|
| Suites | 87 of 102 | \$45,000 |
| Club Seats | 9,818 total available | \$450-1,600 premium per year |

By seating subcategory the pricing is also comparable:

| <u>Type¹</u> | <u>Miami Price²</u> | <u>East Bay Price²</u> |
|-------------------------|--------------------------------|-----------------------------------|
| Club Loge A | \$1,400 | \$2,000 Annualized |
| Club Loge B | \$1,250 | \$1,250 Annualized |

(Note: Miami's better Club Seats are licensed on a ten year basis and do not include rights of transferability and other amenities that will be offered to the East Bay purchasers.)

| | | |
|-------------|---------|---------|
| Club Seat A | \$1,100 | \$1,150 |
| Club Seat B | \$ 950 | \$1,000 |
| Club Seat C | \$ 950 | \$ 700 |

The Miami marketing program did not offer Field Loge or other premium seating.

¹ Established by comparable location of seats on the Club Level.

² Includes 1990 ticket price.

Phoenix

The Cardinals relocated from St. Louis to Phoenix prior to the 1988 NFL season. The team was to play in Arizona State University's Sun Devil Stadium for a short period while a new stadium was being developed. Emulating the seating program for the ASU Sun Devils, the Cardinals charged premiums for tickets dependent on their location in the stadium.

To a degree, this program was very successful. The Cardinals properly estimated the market's willingness to pay a premium for football tickets, especially for seats in preferred locations. However, the team underestimated the adverse impact of playing games in a substandard professional stadium, under the sun and in the desert. The impact was severe. More often than not the shaded side of the stadium was filled to capacity and the sun side was virtually empty except for the middle deck, which was shaded.

The Phoenix community, though considered "football crazy" never had a special allegiance to the Cardinals. The team started out on the wrong foot by agreeing to a lease condition demanded by ASU that allowed USFL Arizona Outlaw season ticket holders first priority to season tickets. Added to the poor stadium, dangerous weather conditions, and an unexciting team, the honeymoon was over very quickly between the Cardinals and the residents of Phoenix before the team even had a chance to take advantage of the initial euphoria (the team did not market premium seats on a long-term basis at the outset.)

The Cardinals charged substantial premium for Club Level seats, but their was no Club Lounge built out. The team offered few amenities such as preferred seating rights for other events, preferred parking, sponsorship seats, etc., yet still charged top prices. The situation came to a head when the new stadium project was dropped. Most of the blame fell on the team and its unpopular owner, Bill Bidwill. With the prospect of priority seating in a new stadium gone and the alternative of sitting in the heat and spartan surroundings at Sun Devil Stadium to watch a woeful and unexciting team on the horizon, many Cardinals fans refused to renew their season tickets for the 1989 season.

As a result, the Cardinals recently announced a change in their ticket policies. The team has reduced the price of its basic ticket from \$25 to \$20. At the same time it kept the existing price on the 20,000 best seats thereby increasing the premium charged for these locations. Had the Cardinals an appropriate facility and marketed the premium seating with more than a simple brochure and newspaper ads the team's original marketing strategy would have been successful. The results of their first year in Phoenix bears out the fact that fans are willing to pay substantially more than \$25 per ticket for NFL games if they are treated well in a good facility.

There are a number of distinctions between the Phoenix Cardinals situation and the Raiders return to Oakland that should lead to more positive results in the East Bay marketing program.

| Phoenix Situation | Raiders Return to Oakland |
|--|--|
| No special fan relationship with the Cardinals | Large, loyal existing fan base that supported the team for many years |
| Poor, unexciting team | Traditionally one of the top performing, most exciting teams in the NFL with a unique persona that matches the community |
| Poorly executed, low budget marketing program | \$5.2 million, multimedia marketing program ready for execution |
| Limited corporate and civic support for Cardinals relocation. Actual opposition to the team by East Valley leaders | Community unity at the corporate, civic and individual level for the team's return under certain economic assumptions |
| Perceived unfair original ticket distribution policy that favored USFL and ASU season ticket holders. Holdover resentment still exists | Open and fair ticket distribution policy that will not favor any special groups |
| Poor stadium with few amenities, no Club Lounge, poorly located Skyboxes, limited parking, poor concessions, no beer sales, bench seating, etc. | Remodeled stadium with full Stadium Club Lounge, armchair seats throughout most of the stadium, professional concessions with beer sales, top of the line lavatory and scoreboard facilities, superior maintenance, ground crews, etc. stadium |
| East (sun) side of Sun Devil Stadium oppressively hot during day games. After concrete is heated by the sun temperatures have exceeded 125 degrees. Many people have given up their seats solely because of the climactic conditions | No adverse climactic conditions |
| Owner perceived as caring little for tradition or team performance and only concerned with financial success | Owner perceived as a "win at all costs" man who cares a great deal about his team's tradition and future |
| Did not take long-term advantage of heightened initial interest in the team's relocation | Will market long-term seating products at the outset thereby taking advantage of tremendous initial interest in the Raiders return |

| Phoenix Situation | Raiders Return to Oakland |
|---|---|
| No control over stadium operations thereby limiting other amenities and benefits which may be offered with long-term ticket packages | Full control over stadium operations thereby allowing the inclusion of long-term future rights and other amenities and benefits with ticket packages |
| Local economy, overly reliant on the real estate industry started going through a major downturn concurrent with the Cardinals relocation | Relatively strong and diverse local economy |
| Little on-site parking in the control of the team or stadium | Over 9,000 on-site parking spaces under the control of the stadium |
| No history of sell-outs to create a "scarcity" in season tickets | Long-term history of complete sell-outs with few seats opening up. Sell-out of preseason game in 2 hours emphasizes the expected interest in season tickets |
| Strong first year's sales clearly indicates fans' willingness to pay substantial premiums for football tickets. The goal is to offer substantial amenities and long-term licenses so the initial sales continue | Marketing survey, ERA report and fan responses indicates a strong desire to participate financially in the effort to return the Raiders to Oakland. Past history of the club is a clear barometer of the expected support and success |

During the Cardinals first year playing in Sun Devil Stadium the team sold the following seating products:

| Product | Number | Price |
|------------------|----------|---|
| Suites | 56 of 60 | \$240,000 initial fee plus \$40,000 per year |
| Club Seats | 228 | \$1,750 premium per year |
| | 1,500 | \$1,000 premium per year |
| | 1,950 | \$ 700 premium per year |
| Location Premium | 10,500 | \$250 premium per year |
| | 18,500 | \$150 premium per year |
| | 4,000 | \$ 50 premium per year |

The Oakland Strategy compares favorably with the Phoenix results. The Oakland premiums are well in line with those charged in Phoenix with the two principle distinctions being the added amenities and future rights offered up to 16,000 Oakland purchasers in return for advance payments in the form of Loge Seats.



| Table 1: Summary of Data | | |
|--------------------------|---------|---------|
| Category | Value 1 | Value 2 |
| A | 10 | 20 |
| B | 15 | 25 |
| C | 20 | 30 |
| D | 25 | 35 |
| E | 30 | 40 |
| F | 35 | 45 |
| G | 40 | 50 |
| H | 45 | 55 |
| I | 50 | 60 |
| J | 55 | 65 |
| K | 60 | 70 |
| L | 65 | 75 |
| M | 70 | 80 |
| N | 75 | 85 |
| O | 80 | 90 |
| P | 85 | 95 |
| Q | 90 | 100 |
| R | 95 | 105 |
| S | 100 | 110 |
| T | 105 | 115 |
| U | 110 | 120 |
| V | 115 | 125 |
| W | 120 | 130 |
| X | 125 | 135 |
| Y | 130 | 140 |
| Z | 135 | 145 |

The Oakland Marketing Strategy takes great care to learn from the Phoenix and Miami examples. The Raiders are a team that is ingrained within the community. Historically, the team has been among the best in the NFL, and is always one of the most exciting. The modifications planned to the Coliseum will make it a first class stadium with all of the amenities necessary to satisfy the interests of the fans who will, ultimately, absorb the cost of the Raiders relocation, while retaining an intimate facility that will attract the die-hard Silver and Black rooters.

The Marketing Strategy incorporates other seating concepts successfully in place at major collegiate athletic programs, such as Loge Seating, which offers rights holders benefits unmatched by other NFL teams. The Marketing Strategy components, remodeled Coliseum and the avid, almost fanatical, interest in the Raiders by residents of the East Bay, in conjunction with an expansive, comprehensive marketing program, will allow us to exceed the results in either Phoenix or Miami.

UNIVERSITY PROGRAMS

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|-----------------|---|--|--|--------------------------------|----------------------------------|--|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Alabama, U. of | Tide Pride | \$100 \$200 \$300 \$500 \$1,000 | One Two Four Six Eight | Not Disclosed (ND) | \$112 | Contributions benefit the Athletic Department |
| Arizona State | Sun Angel Club Sun Devil Club Scholarship Box | \$350 \$35 \$150 | No Limit One One | <4,000 ND | \$102 | Loge section in middle of stadium |
| Arizona, U. of | Wildcat Club | \$50 \$100 \$250 \$500 | Two Two Two Two | 3,797 5,771 2,589 892 | \$106 \$106 \$118 \$118 | Parking permit not included, but priority to purchase one. The > the donation, the better the seat location. |
| Arkansas, U. of | Razorback Foundation | \$25 \$100 \$250 \$750 \$1,850 \$3,000 \$5,000 | Priority based on the # of years one is a ticket holder; an unlimited # within each level. | ND | \$115 | Contributions benefit both the Athletic Department and the University. |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|--------------------------|-----------------------------------|--|---|---|--------------------|---|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Colorado, U. of | Buff Club | \$150 \$250 \$350 \$400 \$600 | A Pair at each level; Double contribution to receive up to four | ND | \$98 | Contributions benefit the Athletic Scholarship Fund. |
| Florida State University | The Booster Club | \$25 \$50 \$110 \$250 \$500 \$1,000 \$2,500 \$5,000 | One Two Four Six Eight Ten Sixteen Twenty-four | ND 250 250 | \$102 | Contributions benefits the Athletic Department although donor may specify other. |
| Florida, U. of | Gator Booster Club | <\$500 \$500 \$1,000 \$1,500 \$3,200 \$1,000 | One Four Four Four Four Eight | ND 1,055 411 604 214 111 | \$96 | Amenities vary by level. |
| Georgia, U. of | Bull Dog Boosters Mainstands Club | \$100+ \$600+ | Information not available | ND | \$98 | Point system based on one point for each \$1 contributed since 1965. Annual base level must be met each year. |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|--------------------|---|---|--------------------------------------|---|---|---|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Houston, U. of | Cougar Club | \$100 \$500 \$1,000 \$2,000 \$5,000 \$10,000 | Varies by availability | ND 12 | Club \$95 Mezz. \$80 Up.Lvl . \$65 | Contributions benefit the Athletic Department. Option to set up payment as \$ drawn from checking account monthly accruing to a certain amount over the year to one of the contribution levels. |
| Illinois, U. of | Grants In Aid | \$100 \$250 \$500 \$1,000 \$3,000 | Two Two Four Six Eight | ND | \$108 | Contributions go towards the Athletic Scholarship Fund. Various amenities include parking passes, staff golf rates, press guides. |
| Indiana University | Varsity Club | \$50 \$200 \$400 \$800 \$2,000 | Four Four Four Six Eight | 6,070 1,763 747 494 1,384 | \$108 | Priority point system based on the number of years involved and amount contributed. Contributions benefit Athletic Scholarships and Capital Improvements. |
| Iowa, U. of | I Club | \$40 \$100 \$250 \$500 \$1,000 | Two up to Four " " " | 5,842 3,860 2,469 1,198 1,239 | \$112 | Additional seating was added in 1989. Seat option depends on the number of consecutive years of giving, requesting, and the annual contribution. |
| Michigan, U. of | Maize & Blue Club Victors Lifetime Membership | \$200 \$1,500 \$15,000 | Two Two Four | 650 1150 ND | \$120 | No priority point system. Contributions benefit the Athletic Scholarship Fund. |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|-------------------|---|--|--|--------------------|-----------------------------------|--|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Michigan State U. | Spartan Club | \$75 \$150 \$300 \$600 \$1,200 | Up to Four at level of contribution | ND Total @ 4000 | \$108 | Ticket option depends on availability. Contributions benefit Athletic Scholarships. |
| Miami U. of | Hurricane Club | \$125 \$250 \$500 \$1,000 \$2,500 \$5,000 \$10,000 | Based strictly on availability | ND | \$110 s.line \$130 chrbc | |
| Minnesota, U. of | Williams Scholarship Fund Football Boosters | \$500 \$1,000 \$2,500 \$25 \$100 \$750 \$1,500 | Two Four Four-eight One One One (very best) Two | ND | \$112 | WSF is for all athletics. Football boosters began in 1989 strictly for Football Scholarships. |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|-----------------|---------------------------|------------------------|---------------------------------------|-------------|--------------------|---|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Missouri, U. of | Tiger Club | \$50 | Two | ND | \$103 | Extremely flexible ticket option. Small increments in contribution levels for greater ticket purchase option. |
| | | \$100 | Three | | | |
| | | \$250 | Four | | | |
| | | \$400 | Five | | | |
| | | \$500 | Six | | | |
| | | \$600 | Eight | | | |
| | | \$800 | Nine | | | |
| | | \$1,000 | Ten inside | | | |
| | | \$2,500 | 40's, | | | |
| | | \$5,000 | Unlimited | | | |
| | | \$10,000 | outside of 40's | | | |
| Oklahoma, U. of | Sooners Club | \$ < 50 | Two ticket minimum based on \$50 each | 311 | \$87.50 | The ticket option is based on \$50 increments for each. The availability and location is based on priority points (number of years involved). |
| | | \$50 | | 456 | | |
| | | \$100 | | 1,369 | | |
| | | \$250 | | 296 | | |
| | | \$500 | | 220 | | |
| | | \$1,000 | | 245 | | |
| | | \$2,500 | | 135 | | |
| | | \$5,000 | | 38 | | |
| | | \$10,000 | | 47 | | |
| Nebraska, U. of | Husker Club | \$200 | Two | 3700 | \$108 | Cannot guarantee tickets at any level - subject to availability. |
| | | \$500 | Two | 254 | | |
| | | \$1,000 | Four | 150 | | |
| | | \$2,000 | Four | 250 | | |
| | | \$5,000 | + Four (better seats) | 150 | | |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|---------------------|---------------------------|--|--|---------------------------|--------------------|--|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Ohio State U. | Buckeye Club | \$500 \$1,000 \$2,000 | Two Two Two | 300 150 900 | \$42 | Contributions benefit Athletic Scholarships. |
| Oregon, U. of | Duck Athletic Fund | \$100 \$250 \$500 \$1,000 \$2,500 \$500 \$10,000 | Maximum of Two tickets at each level, the > \$ contributed, the better the seat. | ND | \$126 | Many amenities. \$10,000 level is an enclosed Stadium Club. |
| Tennessee, U. of | Volunteer Club | South \$250 North \$500 East \$750 West \$1,000 | Two Two Two Two | ND @ 6,000 total | \$126 | Ticket option based strictly on availability. Contributions benefit Athletic Scholarships. |
| Texas, U. of Austin | Longhorn Club | \$150 \$300 \$450 \$600 \$1,000 \$2,000 \$4,000 | Four | ND over 5,000 total | \$85 | Beginning at the \$1,000 level, will discuss ticket option. Contributions benefit Athletic Scholarships. |
| Texas A & M | 12th Man Foundation | \$50 \$100 \$750 \$1,600 \$2,300 \$3,000 | One Four Four Four comp. . . | ND | \$110 | Beginning at \$1,600 level, four tickets comp with option to purchase more depending on availability. |

| UNIVERSITY | PREFERRED SEATING PROGRAM | CONTRIBUTION / PREMIUM | | | STP (six games) | NOTES |
|-----------------|---------------------------|------------------------|--------------|--------------|--------------------|---|
| | | COST (Annual) | OPTION | #SOLD ('89) | | |
| Louisiana State | Tiger Athletic Foundation | \$100 | One end | ND | \$108 | Contributions benefit Athletic Scholarships and Capital Improvements. |
| | | \$200 | zone | @ 5000 total | | |
| | | \$300 | - | | | |
| | | \$700 | One sideline | | | |
| | | \$1,300 | Two | | | |
| | | \$1,900 | Four | | | |
| | | \$3,000 | Six | | | |
| Penn State | Nittany Lion Club | \$5,000 | Eight | | \$112 | Point system. Contributions benefit Athletic Scholarships. |
| | | | Ten | | | |
| | | \$100 | Two | ND | | |
| | | \$200 | Four | - | | |
| | | \$500 | Six | - | | |
| Brigham Young | Cougar Club | \$1,000 | Eight | 200 | \$108 | Contributions benefit Athletic Scholarships. |
| | | | Ten | 900 | | |
| | | \$100 | Two | ND | | |
| | | \$200 | Two | @ 3500 total | | |
| | | \$500 | Four | | | |
| | | \$1,000 | Six | | | |
| | | | | | | |

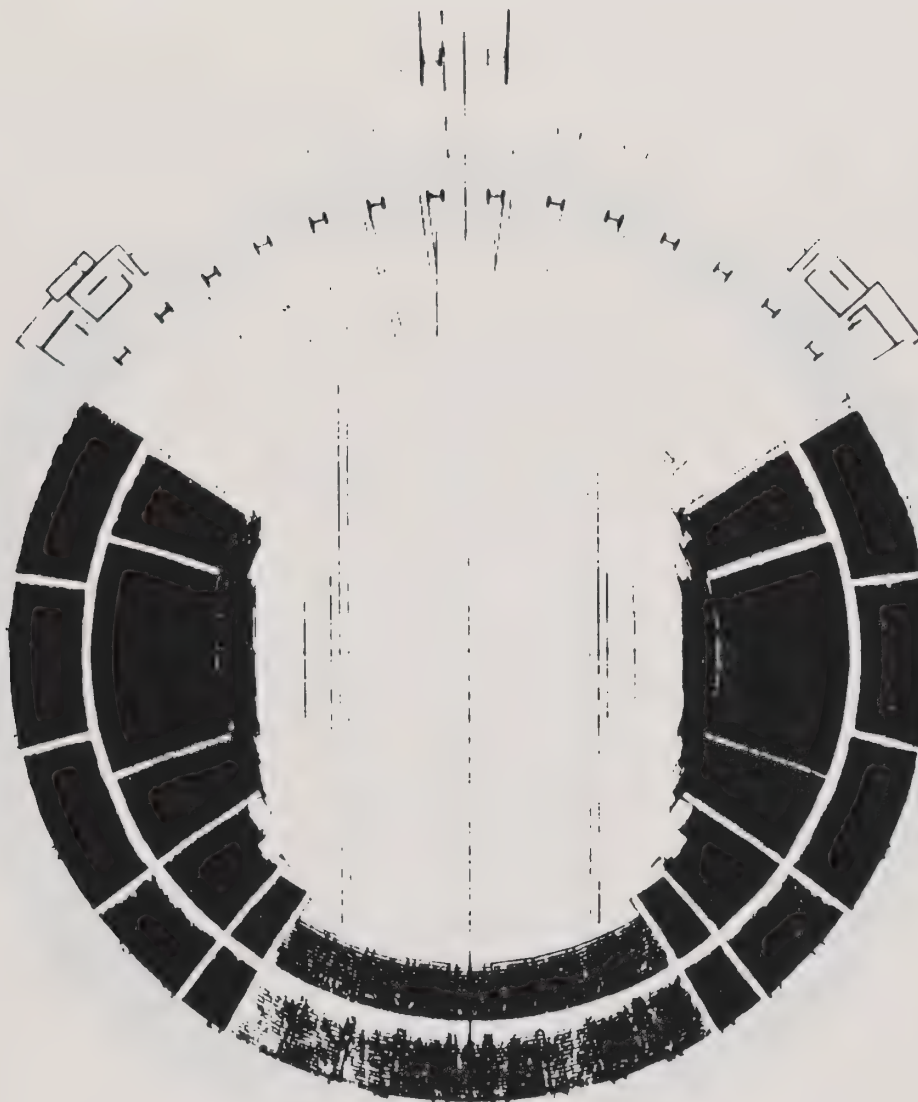
SUMMARY OF SEATING PRODUCTS



SUMMARY OF SEATING PRODUCTS, LOCATIONS AND COSTS



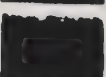
| Category | Seat Location | Price | # Avail. |
|--------------|--|--|----------|
| Field Loge A | Lower Level in front of the cross aisle between the 35 yard lines | \$3,000 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$700 per year. | 4,796 |
| Field Loge B | Lower Level in front of the cross aisle from the 35 to the 20 yard lines and behind the cross aisle between the 40 yard lines. | \$2,500 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$650 per year. | 5,578 |
| Field Loge C | Lower Level behind the cross aisle from the 40 to the 10 yard line. | \$2,000 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$600 per year. | 3,950 |
| Club Loge A | Club Level between the 45 yard lines. | \$16,000 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$2000 per year. | 542 |
| Club Loge B | Club Level from the 45 to the 20 yard line. | \$8,5000 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$1,250 per year. | 2,626 |
| Club Seat A | Club Level from the 20 to the goal line. | \$850 Club Fee plus \$300 ticket price. \$1,150 per year. | 1,600 |
| Club Seat B | Club Level from the goal line to the end line. | \$700 Club Fee plus \$300 ticket price. \$1,000 per year. | 3,260 |
| Club Seat C | Club Level end zone on the home plate side only. | \$400 Club Fee plus \$300 ticket price. \$700 per year. | 1,790 |

| Category | Seat Location | Price | # Avail. |
|-------------------|--|---|--------------|
| Field Loge A | Lower Level in front of the cross aisle between the 35 yard lines | \$3,000 for a ten year period plus \$100 annual Maintenance Fee and \$300 ticket price. \$700 per year. | 4,796 |
| Premium Seat A | Lower Level on either side of the cross aisle from the 20 yard to the goal line and the first 7 rows between the 35 yard lines. | \$300 Location Premium plus \$300 ticket price. \$600 per year. | 3,096 |
| Premium Seat B | Second (Club) Level outfield end zone. | \$225 Location Premium plus \$300 ticket price. \$525 per year. | 3,724 |
| Premium Seat C | Lower Level on either side of the cross aisle from the goal line to the end line and first 7 rows of the upper deck between the 45 yard lines. | \$200 Location Premium plus \$300 ticket price. \$500 per year. | 1,754 |
| Premium Seat D | Lower Level end zone in front of the cross aisle and first 7 rows of the upper deck from the 45 to the 30 yard line. | \$150 Location Premium plus \$300 ticket price. \$450 per year. | 2,523 |
| Premium Seat E | Lower Level end zone behind the cross aisle. | \$50 Location Premium plus \$300 ticket price. \$350 per year. | 2,842 |
| General Admission | All other Stadium Seating areas. | \$300 ticket price per year. | Appx. 26,000 |
| Executive Suites | 102 Suites on two levels ringing the stadium at the Club Level. | \$45,000 per year including 12 season tickets to Raiders games. | 1,188 |

SEAT LOCATOR

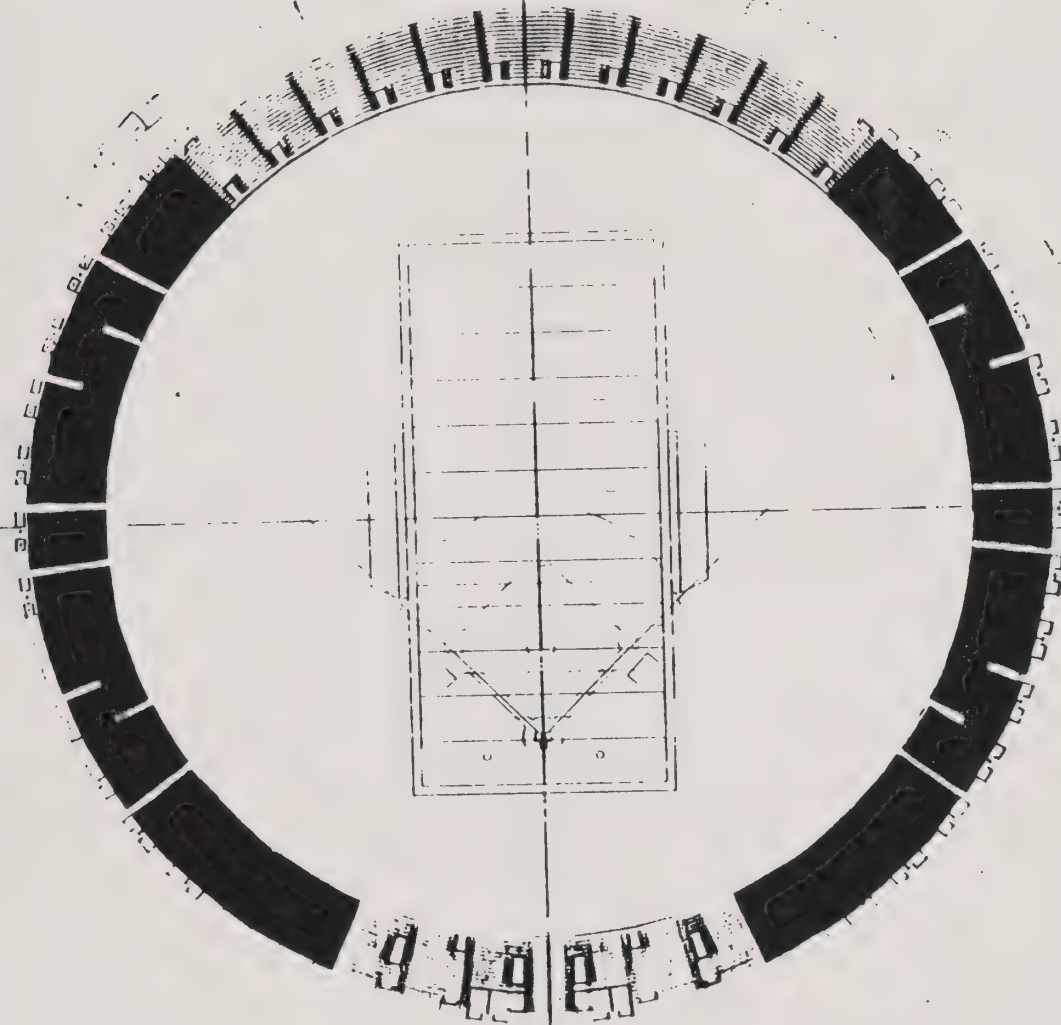




| PREMIUM | |
|---|-------|
|  | \$340 |
|  | \$200 |
| D | \$150 |
| I | \$50 |



| FIELD LODGE TEN YEAR ONE TIME FEE | |
|---|---------|
|  | \$3,000 |
|  | \$2,500 |
|  | \$2,000 |

CLARKSON COLLEGE MARKETING PLAN
FIELD LEVEL SEATING CONFIGURATION

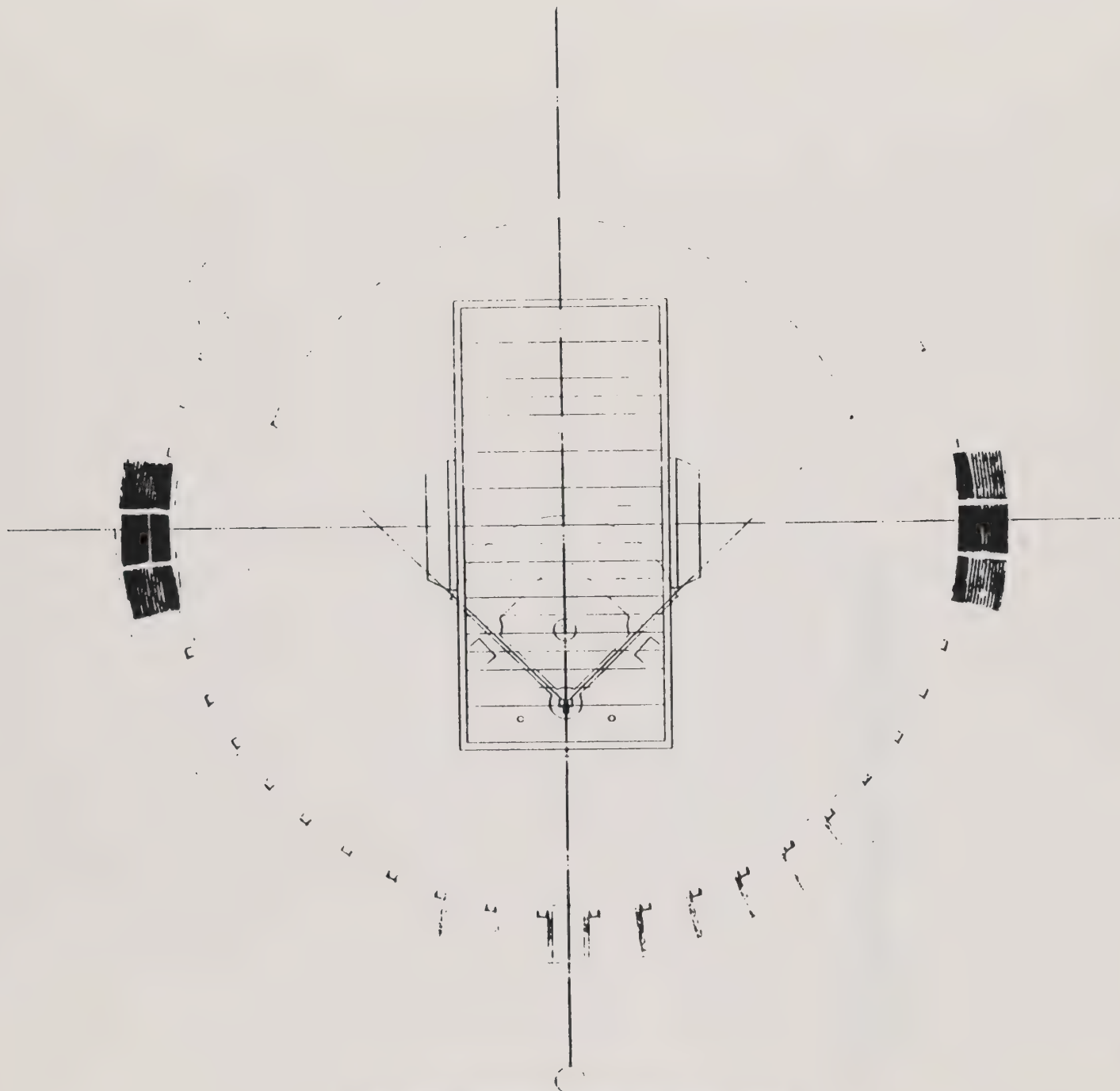
SPORTS CORP. LTD.



| ANNUAL CLUB FEE | |
|---|---------|
|  | \$8,500 |
|  | \$7,000 |
| C | \$4,000 |
| PREMIUM SEAT | |
| M | \$2,250 |

| CLUB LOGE TEN YEAR ONE TIME FEE | |
|---|----------|
|  | \$16,000 |
|  | \$8,500 |

OAKLAND COLISEUM MARKETING PLAN
CLUB LEVEL SEATING CONFIGURATION



PREMIUM



\$200

D \$150



\$90

RAIDERS RETURN MARKETING PROGRAM

UPPER LEVEL SEATING CONFIGURATION

SPORTS CORP. LTD.

SEATING PRODUCTS

FIELD LEVEL LOGE SEATS

Field Level Loge Seat A

- Location:** The sections on either side of the field in front of the cross aisle between roughly the 35 yard lines on the Field Level, except for the first few rows which may have somewhat restricted views due to the players standing by the benches.
- Amenities:**
- ♦ Restricted Access Seating Areas
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Superior Game Day Services, Security, and Personnel
 - ♦ Priority right to Stadium Club memberships, if available
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** All rights and amenities are fully and freely transferable by the license holders on an event by event or longer term basis. If a permanent transfer of rights is concluded, a nominal processing fee will be charged.
- Term:** Licenses will be for a period of ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** A one-time fee of \$3,000.
- Maintenance Fee:** An annual maintenance fee of \$100 will be charged to cover costs associated with the operation of the VIP Ticket and Services Office among other things.
- Number Available:** 4,796 Seats.
-

FIELD LEVEL LOGE SEATS

Field Level Loge Seat B

- Location:** The sections on either side of the field in front of the cross aisle between roughly the 20 and 35 yard lines on the Field Level, except for the first few rows which may have somewhat restricted views due to the players standing by the benches, and the sections between the 40 yard lines beyond the cross aisle on the Field Level.
- Amenities:**
- ♦ Restricted Access Areas
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Superior Game Day Services, Security, and Personnel
 - ♦ Priority right to Stadium Club memberships, if available
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** All rights and amenities are fully and freely transferable by the license holders on an event by event or longer term basis. If a permanent transfer of rights is concluded, a nominal processing fee will be charged.
- Term:** Licenses will be for a period of ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** A one-time fee of \$2,500.
- Maintenance Fee:** An annual maintenance fee of \$100 will be charged to cover costs associated with the operation of the VIP Ticket and Services Office among other things.
- Number Available:** 5,578 Seats.
-

FIELD LEVEL LOGE SEATS

Field Level Loge Seat C

- Location:** The sections on either side of the field beyond the cross aisle between roughly the 40 and 10 yard lines on the Field Level.
- Amenities:**
- ♦ Restricted Access Areas
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Superior Game Day Services, Security, and Personnel
 - ♦ Priority right to Stadium Club memberships, if available
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** All rights and amenities are fully and freely transferable by the license holders on an event by event or longer term basis. If a permanent transfer of rights is concluded, a nominal processing fee will be charged.
- Term:** Licenses will be for a period of ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** A one-time fee of \$2,000.
- Maintenance Fee:** An annual maintenance fee of \$100 will be charged to cover costs associated with the operation of the VIP Ticket and Services Office among other things.
- Number Available:** 3,950 Seats.
-

CLUB LOGE SEATS

Club Loge Seat A

- Location:** The fifty yard line section on either side of the field on the Club Level.
- Amenities:**
- ♦ Full Stadium Club privileges
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Waitress Service at their seats
 - ♦ Premium Concessions
 - ♦ Liquor availability
 - ♦ Scorecards, Press Packets, Statistical Information and other special information at games
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** All rights and amenities are fully and freely transferable by the license holders on an event by event or longer term basis. If a permanent transfer of rights is concluded, a nominal processing fee will be charged.
- Term:** Licenses will be for a period of ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** A one-time fee of \$16,000.
- Maintenance Fee:** An annual maintenance fee of \$100 will be charged to cover costs associated with the operation of the VIP Ticket and Services Office among other things.
- Number Available:** 542 Seats.
-

CLUB LOGE SEATS

Club Loge Seat B

- Location:** The two sections on either side of the field flanking Club Loge A between roughly the 20 yard lines on the Club Level.
- Amenities:**
- ♦ Full Stadium Club privileges
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Waitress Service at their seats
 - ♦ Premium Concessions
 - ♦ Liquor availability
 - ♦ Scorecards, Press Packets, Statistical Information and other special information at games
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** All rights and amenities are fully and freely transferable by the license holders on an event by event or longer term basis. If a permanent transfer of rights is concluded, a nominal processing fee will be charged.
- Term:** Licenses will be for a period of ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** A one-time fee of \$8,500.
- Maintenance Fee:** An annual maintenance fee of \$100 will be charged to cover costs associated with the operation of the VIP Ticket and Services Office among other things.
- Number Available:** 2,626 Seats.
-

CLUB SEATS

Club Seat A

- Location:** The sections on either side of the field between roughly the 20 and 5 yard lines on the Club Level.
- Amenities:**
- ♦ Full Stadium Club privileges
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Waitress Service at their seats
 - ♦ Premium Concessions
 - ♦ Liquor availability
 - ♦ Scorecards, Press Packets, Statistical Information and other special information at games
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** Not available.
- Term:** Licenses will be for a period of up to ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** An annual fee of \$850 will be charged.
- Number Available:** 1,600 Seats.
-

CLUB SEATS

Club Seat B

- Location:** The sections on either side of the field between roughly the 5 yard and end line on the Club Level.
- Amenities:**
- ♦ Full Stadium Club privileges
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Waitress Service at their seats
 - ♦ Premium Concessions
 - ♦ Liquor availability
 - ♦ Scorecards, Press Packets, Statistical Information and other special information at games
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** Not available.
- Term:** Licenses will be for a period of up to ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** An annual fee of \$700 will be charged.
- Number Available:** 3,260 Seats.
-

CLUB SEATS

Club Seat C

- Location:** The sections in the end zone on the home plate side of the stadium on the Club Level.
- Amenities:**
- ♦ Full Stadium Club privileges
 - ♦ Preferred Parking
 - ♦ Special vehicular access to parking
 - ♦ Right to purchase designated seats for all open stadium events except baseball
 - ♦ Use of VIP Ticket and Services Office
 - ♦ Waitress Service at their seats
 - ♦ Premium Concessions
 - ♦ Liquor availability
 - ♦ Scorecards, Press Packets, Statistical Information and other special information at games
 - ♦ Pre-Season banquet with team, coaches and cheerleaders
 - ♦ Yearbook, press guide, and other annual souvenirs
- Transferability:** Not available.
- Term:** Licenses will be for a period of up to ten (10) years. The Coliseum will, to the extent it is within its purview, offer a right of renewal at market rates upon the expiration of the term.
- Price:** An annual fee of \$400 will be charged.
- Number Available:** 3,592 Seats.
-



MEMORANDUM

To: Mr. Robert G. Quintella, Executive Vice President
Oakland - Alameda County Coliseum Complex

From: Economics Research Associates

Date: September 15, 1989 Project No. 9564

Subject: Review of Marketing Plan and Projected Revenue Stream for Luxury Boxes and Premium Seats

I. INTRODUCTION

Over the past several weeks, the possibility has arisen that professional football could return to Oakland. Specifically, the Los Angeles Raiders have indicated a desire to relocate, and have invited proposals from several cities. Accordingly, the Coliseum Complex, the City of Oakland, and the County of Alameda are in the process of finalizing a proposal to the Raiders which could bring the team back to Oakland.

Part of the proposal involves stadium improvements which would be financed by revenue bonds, backed by the City of Oakland and the County of Alameda. The primary source of funds for the repayment of this debt would be revenues from the sale or lease of luxury boxes and preferred seats at the Coliseum. A seating proposal and marketing plan for preferred seating has been presented to the Coliseum Board by Sportscorp, Ltd., of Chicago, Illinois.

Because the City and County must guarantee the revenue bonds which would be issued, and because there is a strong desire that no public subsidy be required to bring about these improvements, the Coliseum Board retained Economics Research Associates (ERA) of San

Francisco to conduct an independent assessment of Sportscorp's marketing plan and its revenue-generating potential. This memorandum presents our findings and conclusions.

II. OVERALL CONCLUSIONS

Based on our research of the experiences of other professional football teams and stadiums authorities in marketing luxury boxes and preferred seating, it is our conclusion that the seating categories and strategy prepared by Sportscorp, Ltd., are generally realistic. Sportscorp's marketing plan indicates that with the commitment of approximately 37,000 preferred seats and 83 luxury boxes, \$72 million can be generated during the first year. It is ERA's opinion that there is a high probability that \$63 to \$64 million of this revenue level can be achieved. This opinion is based upon an examination of the experiences of other NFL teams, a comparison of the demographics of the East Bay to Miami and Phoenix, an evaluation of the Sportscorp Plan as it relates to the configuration and seating areas in the Coliseum, and consideration for the Raiders' history in the Oakland Coliseum. The presence of the Forty-Niners across the San Francisco Bay, and the college football teams at Stanford, San Jose State, and the University of California at Berkeley were certainly not ignored.

III. EXPERIENCES OF OTHER TEAMS

As part of this assignment, ERA conducted a review of the seating policies and preferred seating sales history of most of the NFL teams in the United States. Our findings are discussed below.

Luxury Boxes

Only two NFL stadiums today do not have luxury boxes: RFK Stadium in Washington, D.C., home of the Redskins; and the Los Angeles Coliseum, home of the Raiders. The number, price ranges, and availability of luxury suites are shown in Table 1. The experience of most teams has been that luxury suites are very much in demand, almost regardless of price, and that many facilities have sizable waiting lists. In most instances (although not all) the suites are leased by corporations, which use them to entertain clients and reward employees. As is shown, prices range from \$10,000 per year in Detroit and Green Bay to \$120,000 per year in Atlanta. Most leases are long-term, or at least annual, although some facilities purposely withhold some for lease on a per-game basis.

In Atlanta, Chicago, New Orleans, and Phoenix, additional luxury boxes are being developed. Most are being leased before construction. In Phoenix, where the NFL Cardinals share Sun Devil Stadium with Arizona State University, patrons are asked to donate \$140,000 to the University to cover construction costs, plus pay \$40,000 per year for a ten-year period. Because of the University's involvement, however, this represents a special case, although the annual lease fee is for Cardinals football only.

Preferred Seating

The concept of preferred seating categories, while not necessarily new, has been resisted by most NFL teams (and by most professional baseball teams) to avoid angering season-ticket holders, many of whom have long histories of support for their respective teams. In cities where new stadiums have been built or to which existing teams have relocated, various categories of preferred seating have been sold, with great success. Although there are many different "schemes", generally based on the desirability of the seat and the amenities offered with the seat, the basic factor which separates these arrangements is whether or not an "initiation fee" or one-time payment is required, in addition to the purchase of the tickets.

In Denver, eighty-five (85) "loge boxes" with a total of 1,711 seats were installed in 1969. These boxes are leased on an annual basis. Currently, ticket prices are \$145 per ticket per game (\$1,595 per ticket season), substantially higher than the cost of regular tickets. None of these seats are available, and none has ever been available since they were initially offered in 1962.

The Kansas City Chiefs have established the "Arrowhead Club", actually an area on the 50-yard line. There is a \$1,000 initiation fee, and annual dues of \$300, in addition to ticket purchases. Membership in this club is a prerequisite for the purchase of tickets within the club area. There are currently about 2,800 seats assigned.

The two situations most comparable to the scheme proposed in Oakland, however, are found in Miami's Joe Robbie Stadium, and in Arizona State University's Sun Devil Stadium in Tempe. Joe Robbie Stadium, home of the Miami Dolphins, was privately financed, largely by fees paid for luxury boxes and preferred seating. Approximately 9,300 seats in five categories, with prices ranging from \$950 to \$1,400 per year, were leased for a period of ten years, generating over \$90 million in revenues to help pay construction costs. In Tempe, which the Phoenix Cardinals share with Arizona State University, approximately 29,000 seats have been designated as preferred seating, with annual fees ranging from \$350 to \$200 on a ten-year commitment. After one year in Tempe, most of the preferred seating has been leased.

Most teams have plans to institute preferred seating schemes in the future, if they can be implemented without offense to season-ticket holders and long-time supporters. There is general agreement throughout the NFL today that tickets are significantly underpriced for a major portion of the market, and that a sizable segment is willing to pay higher prices for premium seating and amenities.

IV. AREA COMPARISONS

Because of the similarities in seating plans between those offered in Miami and Phoenix on the one hand, and Oakland on the other, ERA has prepared demographic and economic comparisons of the three areas.

Population

The 1988 populations of the three areas are shown below:

| <u>SMSA</u> | <u>Population</u> |
|---|-------------------|
| Phoenix / Maricopa County | 1,986,100 |
| Miami / Dade County | 1,818,200 |
| Oakland / Alameda and Contra Costa Counties | 1,978,400 |

Household Income

Median household income, estimated for each area, is shown below:

| <u>SMSA</u> | <u>Median Income</u> |
|-------------|----------------------|
| Phoenix | \$27,403 |
| Miami | \$24,260 |
| Oakland | \$34,920 |

While the above indicators show that Oakland compares favorably with Phoenix and Miami, perhaps a more important indicator is the number of households with income of \$50,000 or more. These numbers are shown in the text table below:

SMSA

Households over \$50,000

| | |
|---------|---------|
| Phoenix | 144,100 |
| Miami | 131,200 |
| Oakland | 239,500 |

Thus the Oakland Metropolitan Area compares favorably with Miami and Phoenix in terms of household income and in numbers of "wealthy" households. From this brief, it appears that the Oakland area economy is capable of supporting the proposed ticket marketing scheme. Obviously, other factors are involved. A number of these, both positive and negative, are discussed in the following section.

V. OTHER FACTORS

There are several factors unique to the Oakland area which will influence the success or failure of the ticket marketing effort planned. These are the age and location of the Oakland-Alameda County Coliseum, the configuration of the stadium, the performance of the Raiders in recent years, the history of the Raiders in the Bay Area, the presence and success of the San Francisco 49ers, and the lack of the "big time" college football competition in the Bay Area.

The Oakland-Alameda County Coliseum is more than 20 years old, and is located just east of San Leandro Bay in Oakland's waterfront. Access from all areas is excellent, via the regional highway system and BART. On-site parking is available. The Coliseum's location compares favorably with the Los Angeles Coliseum, in Exposition Park, where the Raiders now play. The L.A. Coliseum, adjacent to the University of Southern California, has poor access and limited parking. It should be noted, however, that Joe Robbie Stadium in Miami was intentionally located in a suburb north of the city, to attract Fort Lauderdale and Palm Beach residents, a strategy that has been highly successful. The Oakland Coliseum's location is not a disadvantage, however, given its accessibility and parking.

The age of the stadium, and more importantly, its configuration, are of some concern. The Oakland-Alameda County Coliseum was designed more than twenty years ago as a joint baseball/football stadium. Both Joe Robbie Stadium in Miami and Sun Devil Stadium in Tempe are football only, which brings the fans (particularly those in the premium seats), closer to the playing field. Sight lines are improved as well. Patrons may be reluctant to pay high premiums for seats from which the view of the game is less than spectacular.

It is well known that the most important factor in generating attendance and support for a team is team performance. This has been dramatically illustrated in the Bay Area in recent years by both the Giants and the A's. When both teams were performing poorly, attendance regularly fell below one million, and many analysts claimed that the Bay Area was too small to support two teams. Yet in 1988, when both teams performed well, the Giants drew nearly 1.8 million, and the A's more than 2.2 million fans.

Because the number of games is so limited, the effect of poor performance is much smaller in football, although it does exist. The effect, however, is usually seen in general admission seats, rather than on the premium seat or luxury box purchaser. A good example may be seen in Phoenix, where the Cardinals suffered a mediocre season in their first year. In spite of this, and of the Cardinals poor performance in St. Louis prior to relocating, season ticket sales are up by about 15 percent for the coming season.

This leads to the next point: the history of the Raiders in the Bay Area. Prior to their move to Los Angeles in 1982, the Raiders had played to capacity crowds for twelve consecutive seasons in Oakland, and, according to informal surveys by the media, loyalty remains high. In fact, based on information provided by the Raiders organization, there are currently over 3,200 season ticket holders in the Bay Area, who fly to Los Angeles for each home game. This loyalty and prior association will certainly have a positive impact on ticket sales.

Another factor which must be considered is the presence — and success — of the San Francisco 49ers, who play in Candlestick Park across San Francisco Bay. As noted in a previous section, the 49ers have sold out their luxury boxes, although they do not maintain a waiting list. Because of their successes on the field, ticket sales have been very strong. Thus, there is some evidence of pent-up demand for 49ers tickets, some of which could be satisfied with Raiders tickets.

There are currently only two cities — New York and Los Angeles — with two NFL franchises. In New York, both teams actually play at the Meadowlands Stadium in East Rutherford, NJ. Both have waiting lists for luxury boxes. In Los Angeles, the Raiders play at the Coliseum, as mentioned, while the Rams play in Anaheim. It does not appear in either case that the two teams "compete" for patrons, although admittedly both markets are much larger than the Bay Area.

Finally, one other positive factor must be mentioned: the moderate amount of competition from college football in the Bay Area. With the possible exception of Stanford University in Palo Alto, none of the colleges in the San Francisco-Oakland area has highly

emphasized football programs. In some cities (Detroit, for example), college football is as popular, and as heavily supported, as professional football. This is true in both Phoenix and Miami, where professional teams are considered the "newcomers" and where loyalty to universities is very strong.

VI. REVIEW OF SPORTSCORP PROPOSAL

At the request of the City of Oakland and the Coliseum Complex, ERA has evaluated, on a line item basis, the first year revenue potential based upon the revised Sportscorp program. As indicated in the attached table, a sellout based upon this program generates approximately \$72.0 million. ERA's opinions, at a 95 percent likelihood level, of the percentage probabilities that each revenue line item can be achieved is presented in Table 2. The overall conclusion, which is obtained by adding the expected values of the individual line items, is that ERA has a very high degree of confidence that \$63 to \$64 million in revenue can be achieved in the first year from the revised improvements and program proposed by Sportscorp Ltd.

It is our understanding that arrangements have been made with a local bank to enable patrons to spread their one-time fees out over several years. All finance charges would be the responsibility of the ticket purchaser. Thus first-year capital amounts are guaranteed regardless of whether the payments are financed. This pro forma does not include the cost of tickets, which are separate.

Table 1

LUXURY BOX AVAILABILITY AND PRICING

| <u>Stadium Location</u> | <u>Number of Suites</u> | <u>Price per Year</u> | <u>Lease Period (years)</u> | <u>Number Available</u> |
|-------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|
| Atlanta/Fulton Co. | 38 ¹ | \$20,000-\$120,000 | 10 | None |
| Chicago/Bears | 116 ¹ | \$40,000-\$50,000 | 5 | None ² |
| Cincinnati | 20 | ¹ | 25 | None |
| Cleveland | 108 | \$36,000-\$50,000 | 1 | None ² |
| Dallas/Cowboys | 296 | \$22,000-\$49,500 | 3 | 60 |
| Denver | 60 | \$50,000-\$84,000 | 1 | 6 |
| Detroit/Silverdome | 102 | \$10,000-\$16,000 | 1 | None |
| Green Bay | 72 | \$10,000-\$50,000 | 1 | None ² |
| Houston/Astrodome | 55 | \$12,000-\$15,000 | 1 | 7 |
| | 65 | \$30,000-\$45,000 | 1 | 6 |
| Indianapolis | 99 | \$15,000-\$26,250 | 5 | 1 |
| Kansas City | 80 | \$12,000-\$33,000 | 4 | None ² |
| Miami | 216 | \$29,000-\$65,000 | 10 | 4-5 |
| Minneapolis | 115 | \$43,000-\$51,000 | 1-3 | None |
| New England | 42 | \$33,000-\$110,000 | 1 | 9 |
| New Orleans | 92 ¹ | \$20,000-\$40,000 | 5 | None |
| NY/Meadowlands | 72 | \$78,000 | 1 | None ¹ |
| Philadelphia | 89 | \$55,000 | 1 | None |
| Phoenix/ASU | 60 ¹ | \$40,000 | 10 | 6 |
| Pittsburgh | 104 | ³ | 5-10 | None ² |
| San Diego | 78 | \$27,000-\$45,000 | 1 | 3 |
| San Francisco | 81 | \$19,000-\$29,000 | 1 | None |
| Seattle | 50 | \$55,000-\$80,000 | 3-5 | 11 |
| Tampa Bay | 57 | \$36,000-\$72,000 | 3 | 3 |

¹/More luxury boxes are currently under construction.

²/Waiting list maintained.

³/Original leaseholders. Prices are under review.

Source: Facilities listed, and Economics Research Associates

MARKETING SURVEY

**EAST BAY AREA INTEREST IN THE
RETURN OF THE RAIDERS**

TELEPHONE SURVEY CONDUCTED AUGUST 1-15, 1989

CONDUCTED ON BEHALF OF:

OAKLAND-ALAMEDA COUNTY COLISEUM

CONDUCTED AND COMPILED BY:

SPORTSCORP LTD.

SEPTEMBER 12, 1989

SPORTSCORP LTD.

444 NORTH MICHIGAN AVENUE SUITE 2910
CHICAGO, ILLINOIS 60611
(312) 836-0600

September 12, 1989

Mr. George Vukasin
President and Chief Executive Officer
Oakland-Alameda County Coliseum
Nimitz Freeway and Hegenberger Road
Oakland, California 94621

Dear Mr. Vukasin:

Sportscorp Ltd. is pleased to present this Marketing Survey which identifies the interest of residents of the East Bay area in the potential return of the Raiders to Oakland.

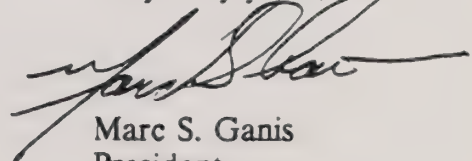
The survey, which was conducted from August 1-15 via telephone, was comprehensive and extensive. Over eleven hundred completed interviews were conducted with residents of the Oakland area. The survey was exhaustive and, we believe, accurately reflects the market at this moment in time.

The results were overwhelming in favor of the proposed Raiders' return and to the Premium Seating Marketing Strategy. Ninety-six percent of the Respondents would support the Raiders return by purchasing season tickets. Of these favorable Respondents over 66% indicated they would purchase Premium Seating products.

This extensive Marketing Survey serves, to a large degree, to validate the original Marketing Survey. It offers a great deal of confidence that the residents of the East Bay area not only want the Raiders to return, but are willing to absorb the costs associated with the relocation by purchasing premium seating products.

Thank you for the opportunity to perform this service for the Coliseum.

Very truly yours,



Marc S. Ganis
President

MSG/cc

Enclosures

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APPENDIX A: MARKETING SURVEY SCRIPT

APPENDIX B: SEATING PRODUCT DESCRIPTIONS

APPENDIX C: SURVEY RESULTS RAW DATA

EXECUTIVE SUMMARY

During July and August 1989, 1,108 residents of the East and South Bay areas were extensively interviewed via telephone, in order to assess their interest in the potential return of the Raiders, and in various football seating products which would be offered for sale. The most important component of the survey was whether the respondents would purchase certain premium seating within the stadium.

The interviews included the education of the respondents with respect to the renovations expected to take place to the Coliseum and a full description, including pricing, of the seating products which are expected to be made available.

Support for the Raiders' return was extraordinary and manifested itself in a large percentage of respondents expressing purchase intent in premium seating product within the stadium. The number and percentage of affirmative respondents exceeded the projections outlined in the Marketing Strategy. The total dollar value of the projected sales, on a one-time and annual recurring basis, substantially exceeds that which was originally projected. It is important to note that this was accomplished without any formal presentation of the top-of-the-line products - Executive Suites and Club Loge seats - to the respondents. Results should far surpass projections once these seats are fully utilized.

More than 95% of respondents indicated a positive purchase intent for season tickets. Over 66% of these, were for premium seating products. If we were to satisfy all requests for premium products (as indicated by this survey), more than 75% of the stadium's seating would need to be allocated for premium seating. An interesting result emerged from the survey: strong consumer price polarization occurred. That is, respondents chose either the highest or lowest priced seating products within categories thereby projecting a soft demand for the mid-priced premiums. This issue will be more completely addressed later in this discussion.

If survey results were followed to their conclusion the Coliseum could generate over \$43,000,000 in Loge Seat sales and \$11,100,000 in annually recurring revenues. This meets or exceeds projections contained in the original Marketing Strategy.

As the research process continues and the marketing plan becomes more refined, we suggest utilizing the results of this survey to adjust the mix of the various seating products such that the maximum amount of revenue is generated while reserving approximately 40% of the seats for reserved general admission seating. The marketing survey has served to validate the feasibility of the Marketing Strategy and offers solid support for the revenue projections upon which the Financial Proformas are based.

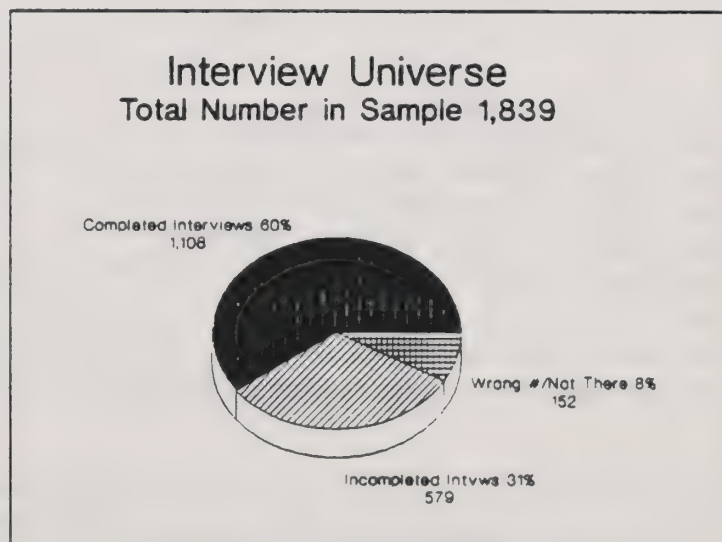
SURVEY METHODOLOGY

An interview sample universe of 1,839 persons was generated for the purposes of the marketing survey. Of this total population 60%, or 1,108 persons, were successfully contacted. Of the remaining original sample universe 8%, or 152 persons, had either moved or changed phone numbers. The remaining 31%, or 579 persons, were either unavailable, unreachable, or did not have the opportunity to complete the interview.

A completed interview is defined as one in which the interviewer was able to go through the entire script (see Appendix B) and elicit responses to at least the following questions;

Do you support the proposed Raiders' return to Oakland?
Would you support the move by being a season ticket holder?
Which, if any, of the premium seating products described would you purchase if available?

A typical complete interview had a duration of 15-20 minutes. This is an extraordinary length of time for a phone survey. The large number of people who participated in the complete interview is an indication of the level of interest in the proposed Raiders' return to the East Bay. The interviewers reported that the respondents often spent quite a bit of time describing their personal level of support for the Raiders and their prior buying habits related to the team (i.e. whether they used to have season tickets and where their seats were located within the stadium.) The respondents were also acutely interested in the prospects of the Raiders' return and asked the interviewers if they had any information in addition to the recent press reports.



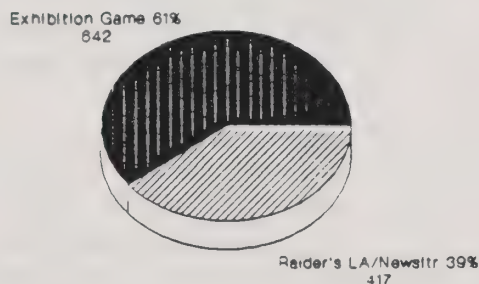
The number of completed interviews represents a very large sample. The proportion of people completing the lengthy interviews coupled with the statements and questions offered by the respondents indicates a very high level of interest in the subject matter. Therefore, we conclude that the respondents paid close attention, and answered honestly, questions and details offered by the interviewers. The estimated margin of error: $\pm 2.5\%$.

SURVEY METHODOLOGY - Cont'd

The sample universe was derived from three sources:

- People who purchased tickets to the Raiders' exhibition game by telephone (approximately 1,300 names);
- A partial list of subscribers to the SportsPage News (approximately 350 names);
- A partial list of current or former L.A. Raiders season ticket holders who reside within certain areas in northern California (approximately 200 names).

Telemarketing Survey Composition Breakdown by Source List



Base: All Completed Interviews

The exhibition game population provides a good measure of the general "football going" public's interest levels. The SportsPage Newsletter and the Raider's season ticket list can be combined to provide a good measure of the "active fan's" interest levels.

Originally, substantial differences between these two group's overall interest levels were expected. However, the difference was actually quite small; the exhibition game group's purchase intent rating was 94.6%, while the

combined "active fan" group's rating was 97.2%. There is no statistically significant difference. Thus, in most cases in this survey, the total sample is cited as the base against which conclusions are drawn.

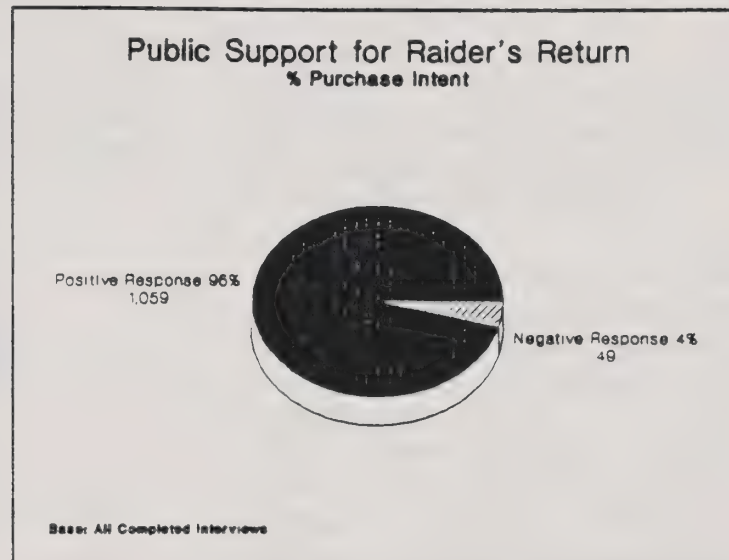
Geographically, the sample crossed into all immediate Bay Area counties. Among the various counties, all displayed strongly similar approval ratings (Alameda County 95.4%, Oakland proper 92.6%) and can thus be homogenized into the central sample base.

PUBLIC SUPPORT FOR RAIDER'S RETURN

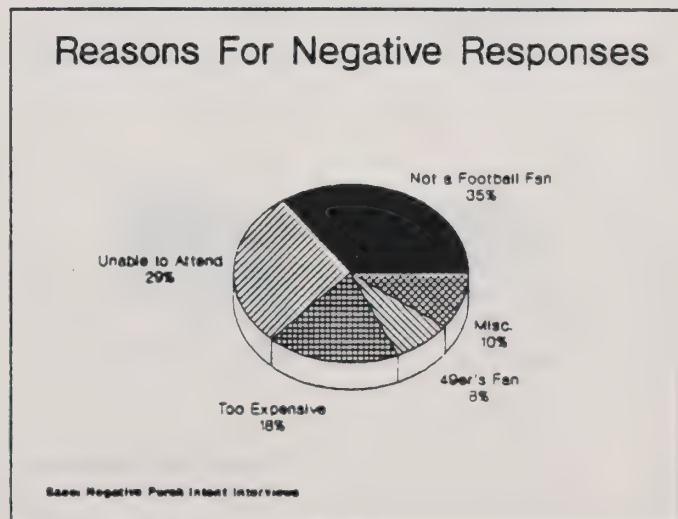
Support for the Raiders return to the East Bay is overwhelming. Over 95% of those surveyed would support the move as measured by those willing to be season ticket purchasers. The breadth and, in particular, depth of support for the Raiders in the East Bay is extraordinary. The fact that the fan loyalty has remained despite the passing of time, certain litigation issues, and the relative lack of on-field success of the team compared to its glory years in Oakland, is remarkable. Indeed, not a single respondent commented on the Raider's relatively poor winning record in recent years.

Yet, a small number of the survey sample expressed no purchase intent. Less than 5% would not be season ticket buyers.

However, many of the "negative" respondents actually support the move but for reasons of work schedule, distance from the stadium, certain personal handicaps, economic situations, etc., would not purchase season tickets. Fully 30% of the "negative" purchase intent respondents indicated a physical limitation (travel too far, inclement weather, handicapped, moving, etc.) as a primary reason for declining the "offer." Another 35% were not football fans at all. Only 18% cited economic constraints in declining the "offer."



The breadth and depth of public support for the Raider's was extraordinary. Comments offered by respondents range from one person "bleeding Silver & Black," to another gentleman - legally blind - assuring us he would go to games with his radio in hand. Numerous interviewees offered assistance for this survey, or to the Coliseum in its efforts to bring the Raiders back.

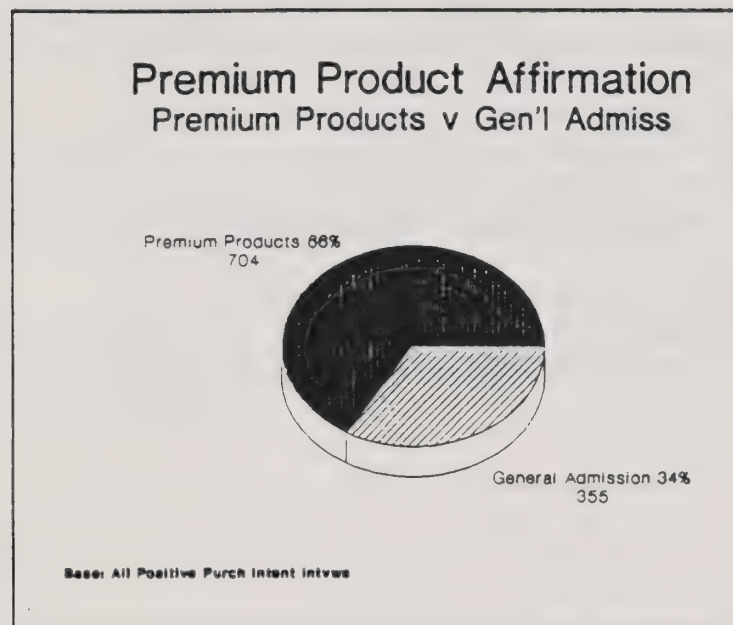


PREMIUM SEATING PRODUCT INTEREST

Of those completed, positive purchase intent interviews, more than two-thirds responded that they would purchase a premium seating product in one of the various categories being offered. Respondents were made aware of the cost, terms, amenities, and

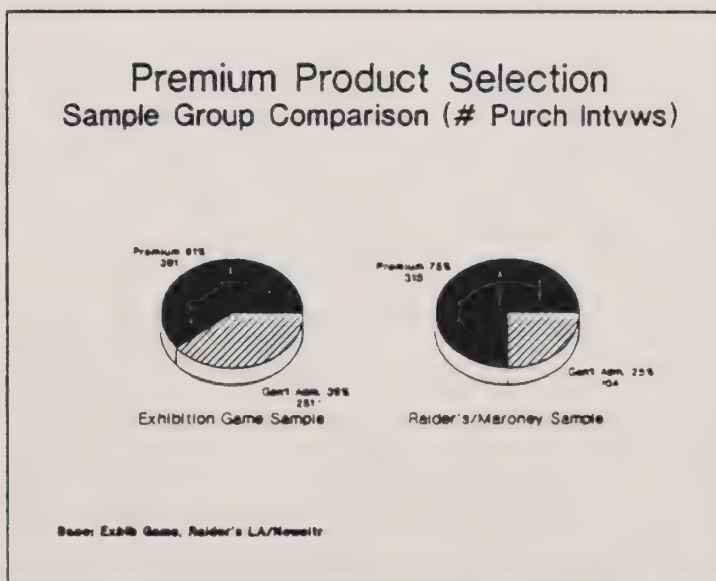
locations of the various seating products. They were also made aware of the general redesign and renovation of the stadium as well as the reconfiguration of the field.

The positive response to the premium seating products far surpassed the original marketing strategy goals. It was projected that approximately 50% of the seating would be premium; yet the survey indicates the market could tolerate as much as 66%, and perhaps as much as 75% (see "Average Seats Per Affirmative Response") for premium seating before saturation.



In order to determine whether either of our two basic sample groups had a particular bias which might skew the results, an analysis was conducted. The Exhibition Game sample is representative of the general football going population in the East Bay. It is likely that this group is, on a whole, less affluent and somewhat less fanatical about the Raiders than the group represented by the Sportspage Newsletter or L.A. Raiders lists.

The survey results demonstrate that the Exhibition Game sample may be more price sensitive than the other combined group, as measured by the relative price of the premium products they selected. However, this group is no less interested in season ticket



PREMIUM SEATING PRODUCT INTEREST - Cont'd

products than the 'Newsletter' or 'Raiders' groups. The affirmative response rate for both categories is an extraordinarily high 94+ %. The principal difference between the two groups is that the Exhibition Game group is somewhat less inclined to purchase premium products than the Newsletter/Raiders group. However, even at that, the positive response rate to purchase premium seating products by the Exhibition Game group is 61%. The Newsletter/Raiders group responded positively to premium seating products at a 75% rate.

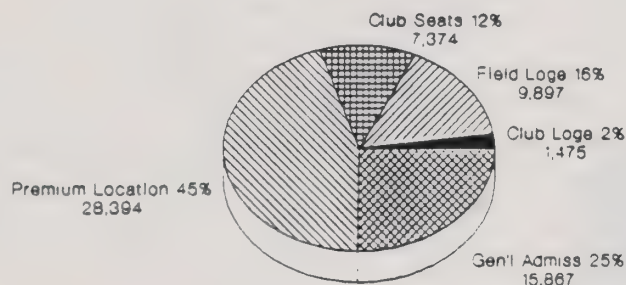
The results of these groups are sufficiently close and statistically significant to justify blending the two groups' results and conclusions. By homogenizing these groups we can generate a single set of statistically significant results regarding the East Bay's interest in returning the Raiders and the patrons' willingness to purchase premium seating products.

Clearly, there is overwhelming support for the Raiders return to Oakland. Just as clearly, there is a strong market for the premium seating products by both the general football going population of the East Bay, as well as those with a more pronounced interest in the Raiders.

PREMIUM SEATING PREFERENCES

The survey results show true market segmentation. Survey projections indicate that 75% of the seats may be sold with some premium attached. However, there is a clear and distinct market segmentation based on price, amenities, and location. This result was expected and accounted for in the Marketing Strategy.

Breakdown of Seating Preferences
General Seating Categories



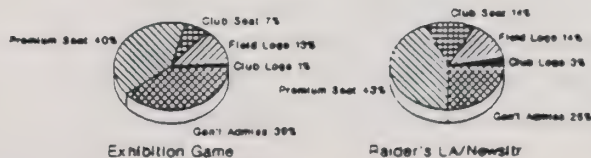
Base: All Premium Purch Intent Intvws

Approximately 2% of all stadium seats may be expected to be sold as Club Logo seats. Approximately 9,900 Field Logo seats may also be sold with the one-time, up-front fee outlined in the Strategy. In addition, roughly 7,300 Club Seats are projected to be leased on a 10-year basis. All of these category results are generally within the expected range as outlined in the Marketing Strategy. However, interest in Premium seats far exceeded original projections,

especially for high and low priced products.

In comparing the two survey groups we note that the exhibition game sample is more interested in purchasing lower priced premium products, relative to the Raider's/Newsletter List. Yet when only the exhibition game interviews are taken into account, the survey results still exceed the original marketing strategy projections.

Premium Product Selection
Sample Group Comparison (# Purch Intvws)



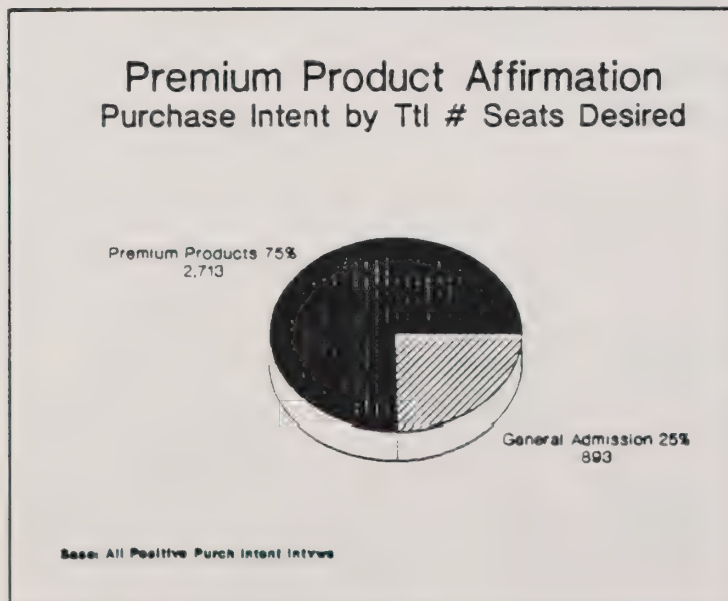
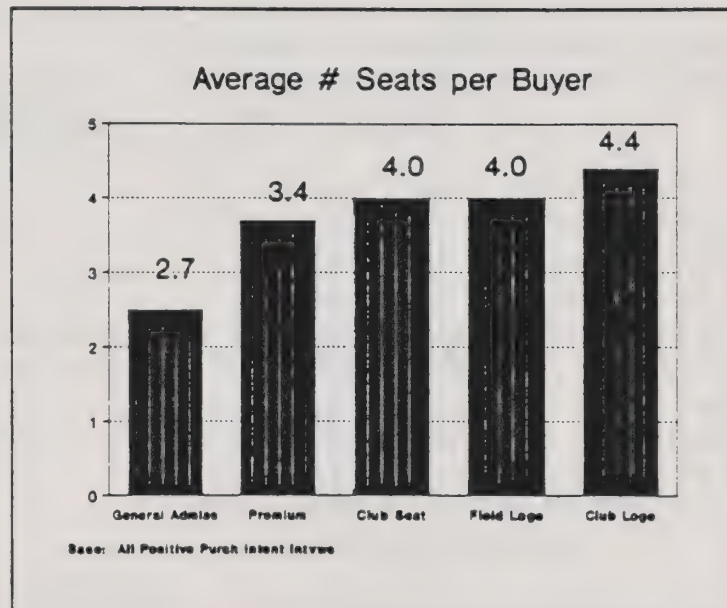
Base: Exhib Game, Raider's LA/Newsletter

AVERAGE SEATS PER AFFIRMATIVE RESPONSE

An interesting result of the survey is that the number of seats desired per positive respondent increases as the desired product increases in cost. That is, a person who requests Club Loge seats is likely to buy four or more, whereas a person who requests General Admission seats is likely to buy less than three.

This suggests an increase in the number of Premium Products available relative to General Admission. It also suggests the marketing mix be altered to increase the number of the most expensive products available, relative to the other seating products.

The survey indicates that, under the current marketing scenario, up to 75% of the stadium's available seating for football may be sold with a premium attached, even though the percentage of positive respondents was 66%. In addition, the highest end tickets relative to the various categories, as well as those most expensive within the subcategories, are likely to have the greatest demand. Therefore, it is advisable to increase the number of the most expensive seats.

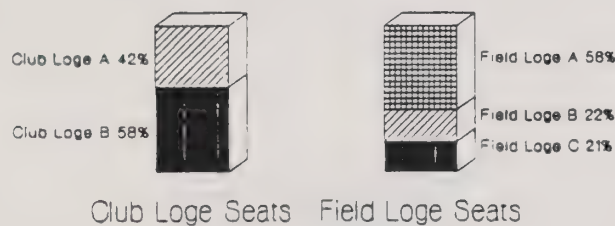


This modification to the marketing strategy has been subsumed within the "Reasonable Case" seating breakdown. Another byproduct of this conclusion is that a smaller number of sales calls will be required to meet marketing targets.

POLARIZATION WITHIN SEATING CATEGORIES

The survey indicates another interesting phenomenon. The respondents have shown a clear tendency to migrate their purchases to the high and low end of each seating product. This has the effect of increasing the demand on the better seating products while reducing interest in the mid-level products within each category. It also has the effect of substantially increasing the number of Premium Location seats desired by the public.

Consumer Price Polarization Product Choice by # Purch Intent Seats

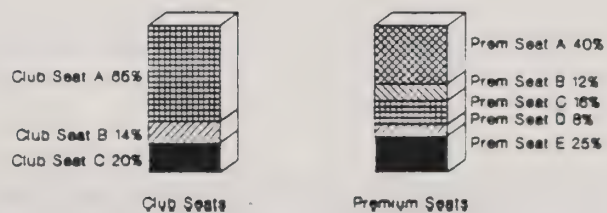


Base: All Premium Purch Intent Intvrs

A positive effect of this buying pattern is that if more of the expensive seats are sold, fewer actual sales must take place to meet the funding targets. This result is magnified by the fact that those purchasing the more expensive seating are likely to buy more seats per purchase, once again reducing the number of sales necessary to attain the economic target.

Maximum revenue can be generated by allocating seats at the ends of the price spectrum, and limiting medium price point products. Foremost of concern is that the marketing mix creates a bona fide distinction between each price point product.

Consumer Price Polarization Product Choice by # Purch Intent Seats

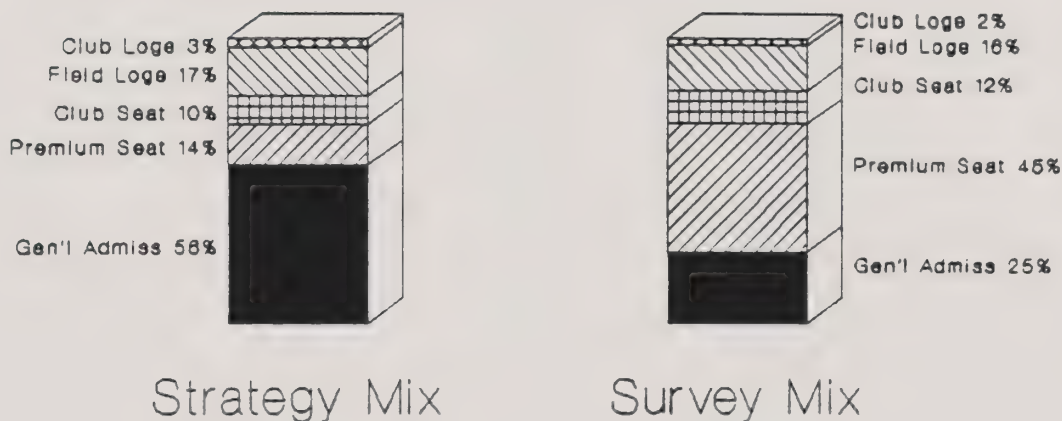


Base: All Premium Purch Intent Intvrs

MARKETING MIX VALIDATION

This marketing survey serves as a strong validation of the Marketing Strategy. It also offers certain suggestions as to how to adjust the marketing mix to better reflect the target audience's purchase intent and maximize potential revenues.

Marketing Mix Comparison Strategy v. Survey Results (by Seats)



Base: All Positive Purch Intent Intvws

The survey indicates a higher demand for premium seating products than originally envisioned, particularly with respect to the "Premium Location" seats. The Field Loge and Club seating plans appear to be right on target. The Club Loge, though also appearing to be accurate, are almost certainly underestimated, as little emphasis was placed on these items during the interview. As discussed earlier, Club Loge and Executive Suite products

MARKETING MIX VALIDATION - Cont'd

were intentionally excluded from the interview script. The fact that enough respondents insisted on full descriptions and selected these products clearly indicates a significantly higher level of interest in Club Loge seats than is projected in the Marketing Strategy.

The overall composition of the seating products in the stadium outlined in the original Strategy appear to be on target. Modifications to the marketing mix are called for among the general categories. These changes would reflect the polarization towards the higher and lower ends the survey uncovered. These potential modifications are incorporated in the marketing mix assumptions utilized in the Most Reasonable Case proformas dated August 22, 1989.

SEATING PRODUCT ANALYSIS

The following is a category by category breakdown of the seating products in the stadium. The numbers included represent those seats actually sold or licensed on the basis described in the Marketing Strategy.

The first column represents the assumptions utilized in the initial Marketing Strategy. The second column itemizes the number of seats sold or licensed based on the survey results. The third column represents adjustments in the marketing mix based on the survey's results and other economic criteria. The results in this column have been utilized in the final financial proformas as part of the Most Reasonable Case assumptions.

| Seating Products | Strategy | Survey | Reasonable Case |
|--------------------|----------|--------|-----------------|
| Club Seat A | 620 | 622 | 620 |
| Club Seat B | 1,240 | 853 | 2,440 |
| Field Loge A | 4,026 | 5,704 | 4,026 |
| Field Loge B | 2,634 | 2,150 | 2,634 |
| Field Loge C | 4,094 | 2,043 | 4,094 |
| Club Seat A | 2,031 | 4,815 | 1,254 |
| Club Seat B | 2,619 | 1,066 | 2,619 |
| Club Seat C | 1,657 | 1,493 | 2,157 |
| Premium A | 644 | 11,248 | 2,644 |
| Premium B | 1,159 | 3,341 | 3,000 |
| Premium C | 2,665 | 4,602 | 1,500 |
| Premium D | 3,024 | 2,168 | 2,000 |
| Premium E | 1,493 | 7,036 | 2,500 |
| General Admission | 35,102 | 15,867 | 27,086 |
| General Admiss (%) | 55% | 25% | 43% |

FINANCIAL IMPACT OF SURVEY RESULTS

The results of the marketing survey validate the most important aspects of the Marketing Strategy. These are the one-time capital and the recurring revenues which may be generated by the marketing plan.

The marketing survey projects \$43,773,324 worth of Loge seats and \$11,159,666 of Club Seat and Premium Seat licenses will be sold. This would generate approximately \$55,000,000 in up-front revenues and \$11,000,000 of annually recurring revenues. The Marketing Strategy projected that \$47,311,000 of Loge Seats and \$5,737,675 of Club Seat and Premium Seat Licenses would be sold. This would generate approximately \$53,000,000 in up-front capital revenues and \$5,800,000 in annually recurring revenues.

The marketing survey validates, to a high degree, the basic results of the Marketing Strategy.

| Revenues | Strategy | Survey |
|-----------------------|-------------------|-------------------|
| Loge | 47,311,000 | 43,773,324 |
| Deposits | 5,737,675 | 11,159,666 |
| Total Up-Front \$ | <u>53,048,675</u> | <u>54,932,990</u> |
| Annually Recurring \$ | 5,737,675 | 11,159,666 |

The survey indicates that a change in the marketing product mix is beneficial. Once that is accomplished, revenues from the marketing program should exceed the numbers above.

OAKLAND SURVEY CALLS OUTLINE

Ask for the Respondent. (Often the person will not be home. Identify yourself and ask for their work phone number.)

Identify yourself. Hello, my name is _____. I am representing the Oakland-Alameda County Coliseum in its efforts to bring the Raiders back to Oakland. The City Council, County Board of Supervisors and the Coliseum Board are working very hard to bring the Raiders back to the East Bay. Through this survey and others the Coliseum Board members hope to get a better feel for the public's views on the subject.

We are not trying to sell you anything. We are just trying to get your feelings about the possibility of the Raiders coming home and, if that happens, whether you would be interested in being a season ticket holder.

We understand you have been a Raiders supporter in the past and would like to inform you of some of our progress and ask you a few questions.

Are you in favor of the Raiders returning to Oakland? (Yes, No)

If yes, how strongly do you support such a move? (Very, Strongly, Not Very)

Would you support the Raiders moving back to Oakland by being a season ticket holder? (Yes, No)

As you may know, the East Bay is in heavy competition in our efforts to bring the Raiders back home. There will be General Admission reserved seats. But we also must market a certain number of tickets with premiums attached. If you would like, I can briefly describe the reasons why this is necessary. Otherwise, if you have a few minutes I would like to describe the stadium improvements and premium seating products. We would then like to know if any of the seating products interests you. Again, we are not trying to sell you anything. We just want to get your reaction so we will have an idea if the people of our community want the Raiders back.

[Sacramento, Irwindale, Los Angeles, and other communities have made very lucrative offers to attract the Raiders. This is not at all unusual for pro sports teams. Especially NFL teams. In this competitive situation new revenues must be generated in order to allow the Raiders to be competitive financially with the other NFL franchises. Oakland may be in a better position to attract the Raiders because of the strong fan support and emotional ties the community and the team have developed. However, a financial package or stadium that is substantially inferior to Sacramento, Irwindale, LA, etc., would most likely be rejected by the team if it is not competitive with other stadiums.

In order to generate enough revenue to make the necessary stadium improvements and offer the Raiders an attractive package without tapping into already tight City and County budgets, we have developed a marketing plan that offers fans a variety of seating products which would also generate new revenue to bring the Raiders home.]

(If they do not have time now ask them if there is another time that you can call back.)

Stadium Improvements. The Coliseum will be expanded and improved in many ways if we are successful in attracting the Raiders. The building's seating capacity will be increased to over 63,000 by lowering the field. The concession stands, lavatories, and other areas will be improved. A new Stadium Club, in the concourse area of the mid level will be constructed. The Stadium Club will have a lounge area with a luxury atmosphere offering premium concessions, liquor, waitress service to your seats, meeting areas, closed circuit television and sound systems, special lavatory facilities, and more. Many other services and amenities, such as preferred parking, VIP Services office, etc., will be offered with the Club Seats. A number of new Executive Suites will also be added at the back of the Club Level seating.

Seating Products. A wide variety of seating products would be offered at various price levels to accommodate as many Raiders fans who want to go to the games as possible. The Seating Products, which vary by location, amenities, services, and price, are:

- General Admission
- Premium Seats
- Field Loge
- Club Seats

- Club Loge
- Executive Suites

We expect these last two to primarily be of interest to corporations because of their nature and relatively price. (Don't focus or describe these two unless they ask.)

(Describe the seating products, NOT categories at first, and ask them to stop you if they have any questions. Give them the general range of price and location within each product.)

[Note: We are taking a layered approach from least expensive to most expensive. After you have reached a level they are no longer comfortable with do not describe any more expensive seating products unless they ask for them. In certain cases the Respondents may only be interested in the more expensive products. Feel this out.]

(Spend time describing the amenities, locations and benefits. Also, be conversant with the Loge Seating, its one-time price and what benefits they will have including the right of transferability.)

Within each Seating Product there are different categories and prices based primarily on location. (Describe each category within the products of interest starting with the MOST expensive and working down.)

(Ask them if they have any questions about the Seating Products and price.)

..!

If the Raiders were to return back to Oakland would you choose to buy season tickets?

If so, would you be interested in any of the special Seating Products I have just described? If yes, which and how many?

Would these seats be used primarily for personal or business purposes?

(Remind them that this does not commit them to a thing. The results will be used to help the City, County, and Coliseum Board in their efforts to attract the Raiders. Also, if they respond positively, inform them that as soon as the marketing plan is finalized and the Raiders are secured, we will be sure to contact them in our initial marketing efforts. Unfortunately, we cannot give them any preferred treatment other than this. [Confirm their address and phone number and if they want to be contacted at home or office.]

(Ask them if they have any other questions. If they have responded affirmatively they will be contacted by someone else within the next ten days to simply confirm.)

Thank you for your time and follow the newspapers. We hope to have some good news within the next 6 weeks.

..

EXECUTIVE SUMMARY
OAKLAND COLISEUM - RAIDERS IMPACT ANALYSIS

August 31, 1989

Prepared For
Oakland - Alameda County Coliseum Complex Inc.

By

Kenneth Leventhal & Company

EXECUTIVE SUMMARY

OAKLAND COLISEUM - RAIDERS IMPACT ANALYSIS

The Oakland-Alameda County Coliseum Complex, Inc. (OACC) has retained Kenneth Leventhal & Company to perform a fiscal and economic impact analysis related to the return of the Los Angeles Raiders (Raiders) football team franchise to the Oakland Coliseum.

As the host city of a National Football League (NFL) team, Oakland would experience both direct and indirect fiscal and economic impacts generated by the operations of the Raiders at the Oakland-Alameda County Coliseum (Coliseum).

COSTS

According to local agencies contacted, the fiscal costs related to the expansion of the Coliseum and return of the Raiders (police and fire services, etc.) are expected to be negligible.

REVENUES

Both the City of Oakland and Alameda County agencies would receive fiscal and economic benefits from the Raiders' games in the Coliseum. Oakland would receive tax revenues from sales, business license, real property and hotel transient occupancy taxes. Alameda County agencies and special districts would receive tax revenues from sales and real property taxes. The revenue impacts of the Coliseum expansion (Phase 1) are segregated by direct on-site and off-site impacts and indirect impacts in Exhibit ES-1. The impacts of the proposed real estate development project (Phase 2) are presented in Exhibit ES-2. The assumptions behind the revenue analysis are set forth in Appendix ES-3. The individual calculation factors are outlined in Exhibit ES-4.

PHASE 1: COLISEUM REHABILITATION AND EXPANSION

Rehabilitation and expansion of the Coliseum and patronage at the Raiders' games will generate direct and indirect on- and off-site revenue sources allocable to Oakland and Alameda County agencies. These are presented below (all estimates in 1992 dollars).

On-Site Direct Revenue Impacts

Direct on-site revenues would flow from sales taxes on concession, merchandise, catering service sales, business license, and real and personal property taxes.

Annual sales tax revenues from concessions and merchandise could amount to \$55,300 to Oakland and \$46,600 to Alameda County agencies. Annual sales tax revenues from catering services sales could amount to \$2,400 to Oakland and \$2,000 to county agencies.

Proceeds from home and away game ticket sales, revenue guarantees, media and advertising revenues, parking and concessions/merchandise sales would be subject to the City of Oakland business license tax. Oakland could receive \$281,900 per year in tax revenue from these sources.

The annual direct on-site revenues available could be \$339,600 to Oakland and \$48,600 to Alameda County agencies, or total revenue to all jurisdictions of approximately \$388,200.

Off-Site Direct Revenue Impacts

Direct off-site expenditures by teams and fans translate into additional taxes, including sales taxes and transient occupancy taxes (T.O.T.).

Taxable revenue would be generated by team and fan expenditures at hotels, restaurants and retail establishments off-site. These expenditures could result in annual sales tax revenues of \$143,500 to Oakland and \$120,900 to Alameda County agencies.

The City of Oakland taxes hotel accommodations at a percentage of the gross room revenues. These T.O.T. revenues could amount to approximately \$510,000 from combined Raider team and fan expenditures.

Direct off-site expenditures could amount to \$653,500 in revenue per year to Oakland and \$120,900 to Alameda County, or total revenues to all jurisdictions of \$774,400 annually.

Total annual direct on-site and off-site revenues could amount to \$993,100 to Oakland and \$169,500 to Alameda County agencies, or a total of approximately \$1.16 million each year to all jurisdictions.

Off-Site Indirect Impacts

In addition to the direct impacts, there would be indirect impacts of expenditures made off-site and related to the Coliseum construction program.

Off-site expenditures from fans and teams alike might result in additional construction activity in the Coliseum vicinity. Oakland could receive \$15,400 and Alameda County agencies, \$8,700 in additional property tax revenues each year.

Off-site expenditures by fans (for lodging, meals, gasoline at service stations) would translate into increased business license taxes paid by Oakland businesses. Oakland could receive \$23,600 in new revenues per year from these expenditures, according to these estimates.

Total indirect impacts to all agencies could be \$47,700 annually, with \$39,000 allocated to Oakland and \$8,700 to Alameda County agencies.

Total Combined Impacts

The total direct and indirect impacts of the Coliseum rehabilitation and expansion project (including 10 NFL football games), could amount to \$1.03 million per year to Oakland and \$178,100 per year to Alameda County agencies, for total new annual revenues of \$1.2 million.

Exhibit ES-1 summarizes these direct and indirect revenue impacts. In addition to these annualized revenues, a one-time sales tax windfall of \$213,900 could be received by Oakland and Alameda County agencies from the Coliseum rehabilitation and expansion. In addition, about 1,300 new construction jobs could be required to complete the project.

PHASE 2: DEVELOPMENT PROJECT

Options are being considered by OACC for substantially intensifying development on the Coliseum site. One such proposed plan would include new hotel, restaurant and retail development. These new facilities might generate, at full development, up to \$2.9 million in revenue at full development for all agencies to share. See Exhibit ES-2 for a summary of these revenue impacts.

The largest potential category of revenue is the real property tax. At full buildout, the annual yield is assumed to be approximately \$1.56 million, which would be shared by Oakland and Alameda County agencies.

Retail sales at hotels, restaurants and retail establishments in the proposed development could produce annual sales tax revenues of \$322,500 for Oakland and \$271,600 for Alameda County agencies.

The hotel rooms in the project could generate up to \$670,000 per year to Oakland in T. O. T. revenues. Additional business license taxes might add approximately \$80,000 a year in revenue to Oakland accounts.

In addition to these annual revenues, a one-time sales tax windfall of \$365,600 could be received by the Oakland and county agencies from the proposed real estate development project. In addition, about 1,100 new construction jobs could be required to complete the project.

IMPACTS TO THE BAY AREA RAPID TRANSIT DISTRICT

In addition to the estimated fiscal and economic impacts to Oakland and Alameda County agencies, the Bay Area Rapid Transit District (BART) might receive \$634,700 annually from the Coliseum rehabilitation and expansion project alone and an additional \$225,100 annually if the development project is built, for a total of \$859,800 per year. These estimates include a combination of estimated property tax, sales tax and fare box revenues. In addition, BART could also receive a one-time sales tax windfall of \$79,000 from the Coliseum expansion and rehabilitation project and \$135,000 from the real estate development project.

OTHER SIGNIFICANT IMPACTS

There are other potentially significant impacts associated with the proposed Coliseum improvements and attraction of the Raiders back to Oakland. These include (1) the impact of Raider organization salaries and other expenditures, in terms of business received by Oakland vendors and taxes paid; and (2) the "multiplied" effects of all Raider organization, OACC, and visiting fan expenditures as the money is recycled through the Oakland community.

For example, other studies of NFL franchise operations have found that considerable additional community income can be derived from attraction of a new team, or expansion of patronage through stadium and related improvements. The team pays players and purchases goods and services; fans come to town and spend their money; local businesses take in these receipts and spend it in the community. The total income as it expands through the community would be very difficult to measure, but it is normally expected to be significant, and a positive additional benefit to publicity and promotion accompanying the sports operation.

EXHIBIT ES-1

RAIDERS' ANNUAL REVENUE IMPACT (1992 DOLLARS)

Phase 1 - Coliseum Expansion, Rehabilitation and Operations

| | Revenue to City of Oakland | Revenue to Alameda County | Total |
|---|----------------------------------|---------------------------------|--------------------|
| <u>Coliseum Operations-Direct Impacts</u> | | | |
| On-Site: | | | |
| Sales Tax | | | |
| Concessions/Merchandise | \$55,346 | \$46,607 | \$101,953 |
| Catering Service | 2,375 | 2,000 | 4,375 |
| Business License Tax | 281,867 | N/A | 281,867 |
| Real Property Tax /a/ | 0 | 0 | 0 |
| Subtotal | <u>\$339,588</u> | <u>\$48,607</u> | <u>\$388,195</u> |
| Off-site: | | | |
| Sales Tax | \$143,532 | \$120,869 | \$264,400 |
| Hotel Transient Occupancy Tax | <u>509,951</u> | <u>N/A</u> | <u>509,951</u> |
| Subtotal | <u>\$653,483</u> | <u>\$120,869</u> | <u>\$774,351</u> |
| Total Direct Impacts | <u>\$993,070</u> | <u>\$169,476</u> | <u>\$1,162,546</u> |
| <u>Coliseum Operations-Indirect Impacts</u> | | | |
| Property Tax | \$15,370 | \$8,668 | \$24,038 |
| Business License Tax | <u>23,626</u> | <u>N/A</u> | <u>23,626</u> |
| Total Indirect Impacts | <u>\$38,996</u> | <u>\$8,668</u> | <u>\$47,664</u> |
| TOTAL-DIRECT AND INDIRECT IMPACTS | <u>\$1,032,066</u> | <u>\$178,143</u> | <u>\$1,210,210</u> |
| ONE TIME SALES TAX WINDFALL: | | | |
| Coliseum Rehabilitation | <u>\$87,531</u> | <u>\$126,360</u> | <u>\$213,891</u> |

/a/ Assumed terms of the Raiders-OACC agreement.

Source: Kenneth Leventhal & Company

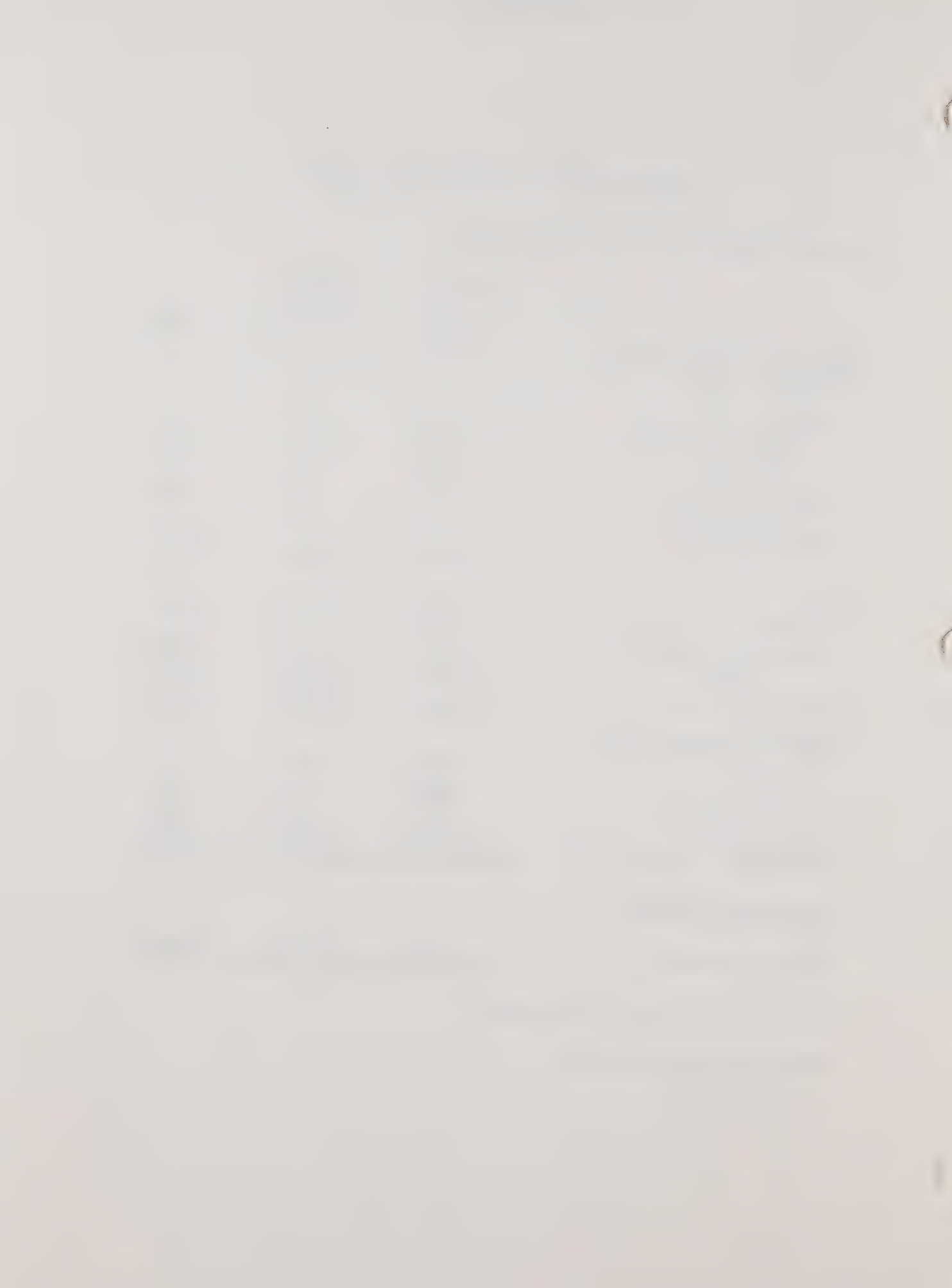


EXHIBIT ES-2

ANNUAL REVENUE IMPACT (1992 DOLLARS)

Phase 2 - Proposed Real Estate Development Project On-Site

| | Revenue to City of Oakland | Revenue to Alameda County | Total |
|-------------------------------|----------------------------------|---------------------------------|--------------------|
| <u>Direct Impacts:</u> | | | |
| Property Tax | 998,140 | 562,900 | 1,561,040 |
| Sales Tax | 322,525 | 271,600 | 594,125 |
| Hotel Transient Occupancy Tax | 670,000 | n/a | 670,000 |
| Business License Tax | <u>80,000</u> | <u>n/a</u> | <u>80,000</u> |
| Total | <u>\$2,070,665</u> | <u>\$834,500</u> | <u>\$2,905,165</u> |

ONE TIME SALES TAX WINDFALL:

| | | | |
|---------------------------------|------------------|------------------|------------------|
| Real Estate Development Project | <u>\$149,625</u> | <u>\$216,000</u> | <u>\$365,625</u> |
|---------------------------------|------------------|------------------|------------------|

Source: Kenneth Leventhal & Company

APPENDIX ES-3 KEY ASSUMPTIONS

1. Attendance

It is assumed that all 10 Raider games played during the season, including two pre-season/exhibition games and eight regular season games, will sell out. It is also assumed that with the 6,735 additional baseball seats, there will be 10 games played when 80 percent of those seats will sell out. It also is assumed that any additional events would not add any incremental, measurable, or taxable revenues.

2. Seating Capacity

Upon completion of its expansion, the Coliseum's seating capacity for football will be 65,000 and 56,728 for baseball, according to Hellmuth Obata & Kassabaum, Inc. (HOK), project architect.

3. Coliseum Rehabilitation

The cost to rehabilitate the Oakland-Alameda County Coliseum, including adding 11,851 seats (6,735 for baseball), rehabilitating the Executive Suites and building practice fields, is estimated by OACC's architects to be \$58.5 million (in 1992 dollars). This figure includes the proposed "Raider Hall of Fame," but no other construction fees. These fees are an additional \$8 million. The Kenneth Leventhal & Company (KL&Co.) cash flow model treats these items as soft costs. Throughout this report, the \$58.5 million figure is assumed. The source of the cost figures is HOK.

4. On-Site Expenditures

Per capita expenditures by fans on concessions and merchandise at the Coliseum were determined by survey. KL&Co. contacted concessionaires at the OACC and at Candlestick Park, as well as the Oakland Athletics Baseball Club, and also reviewed assumptions made in previous fiscal impact reports. It was determined that per capita expenditures on concessions at both football and baseball games is about \$7; merchandise expenditures at Raiders' football games and A's baseball games is estimated at \$1.25 (per capita) and \$1.60, respectively. (All figures in 1992 dollars). These expenditures are subject to sales tax, as outlined in Regulation 1603 of the State of California Board of Equalization's Sales and Use Tax Regulations, Section (d), "Places Where Admission is Charged."

5. Catering Service Sales

It is assumed that there will be catering expenditures of \$25,000 in inflated dollars per football game. This is based on past experience at major sporting events at the Coliseum, such as the 1988 World Series games. These expenditures are assumed to be subject to sales tax.

6. Average Ticket Price

The average ticket price to a Raiders game is assumed to be \$33. This \$33 price reflects a current (1989) price of \$30 inflated forward two years to \$33 (to the year 1991, as ticket sales would occur in the preceding year). Average ticket price to an Oakland Athletics baseball game is \$9.33. This reflects a weighted average of the current price structure applied to the proposed expansion, using the seating plan from HOK's "Capital Improvement Plan" (prepared for the OACC), and inflating current baseball prices to 1992.

7. Football Revenue

Football revenue is generated to the Raiders as documented in the KL&Co. cash flow model. The average ticket price of \$33 applies to 58,824 of the 65,000 seats, for a total of \$19,411,920 annually (\$19.4 million). In addition, the OACC guarantees approximately \$8.5 million annually to the Raiders from license fees and deposits on seats, as well as annual fees and deposits for luxury boxes. Finally, the Raiders are assumed to receive \$23.2 million per year in 1992 dollars (\$20 million in 1989 dollars) from television, radio and advertising agreements.

Assumed seat pricing following the Coliseum rehabilitation and expansion follows:

ASSUMPTIONS FOR THE RAIDERS FISCAL IMPACT STUDY (cont.)

| | |
|--|---------------------------|
| 32. Proposed on-site new facilities: | |
| Proposed stadium club offices | 33,100 Square feet |
| Administrative and training facility | <u>50,000</u> Square feet |
| Total square footage | <u>83,100</u> Square feet |
| 33. Estimated value per SF of furnishings, fixtures and equipment | \$25 |
| 34. # of football seats with \$33 ticket price | 58,824 |
| 35. Additional annual revenue guarantee to Raiders, including licenses, deposits and fees on seats/suites; est. tv/radio revenue; and est. advertising revenue | \$31,699,761 |
| 36. Average ticket price at away football games | \$29 |
| 37. Average attendance at away football games | 58,103 |
| 38. Raiders share of away game ticket revenue | 34% |
| 39. Percentage of Raiders revenue outside of Oakland taxable by City of Oakland (Business License Tax) | 30% |
| 40. Parking Fee | \$7 |
| 41. # of Revenue Parking Spaces | 10,000 |
| 42. Occupancy Factor--Parking Spaces at football | 100% |
| 43. % of parking revenue received by Raiders | 100% |
| 44. % of concessions revenue received by Raiders | 100% |
| 45. % of merchandise received by Raiders | 100% |
| 46. % of concessions revenue received by A's | 30% |
| 47. % of merchandise received by A's | 100% |
| 48. % of Off-site restaurant and retail expenditures that generates new constr. | 50% |
| 49. Retail Sales per square foot | \$250 |
| 50. Construction Cost per square foot | \$100 |
| 51. % of Construction costs allocated to labor | 55% |
| 52. % of Construc. costs allocated for materials | 45% |
| 53. % of materials purchased in Oakland | 35% |
| 53a. % of materials purchased in Alameda County | 25% |
| 54. Construction period for Coliseum rehab. | 1 Year |
| 55. Average Construction Worker's Salary | \$25,000 |
| 56. Construction period for proposed devel. | 2 Years |
| 57. % of football and baseball fans taking BART to Coliseum events | 25% |
| 58. Average BART fare, roundtrip | \$3.00 |
| 59. Retail Sales per Square foot, devel. proj. | \$250 |

ASSUMED SEAT PRICING SCHEDULE - COLISEUM

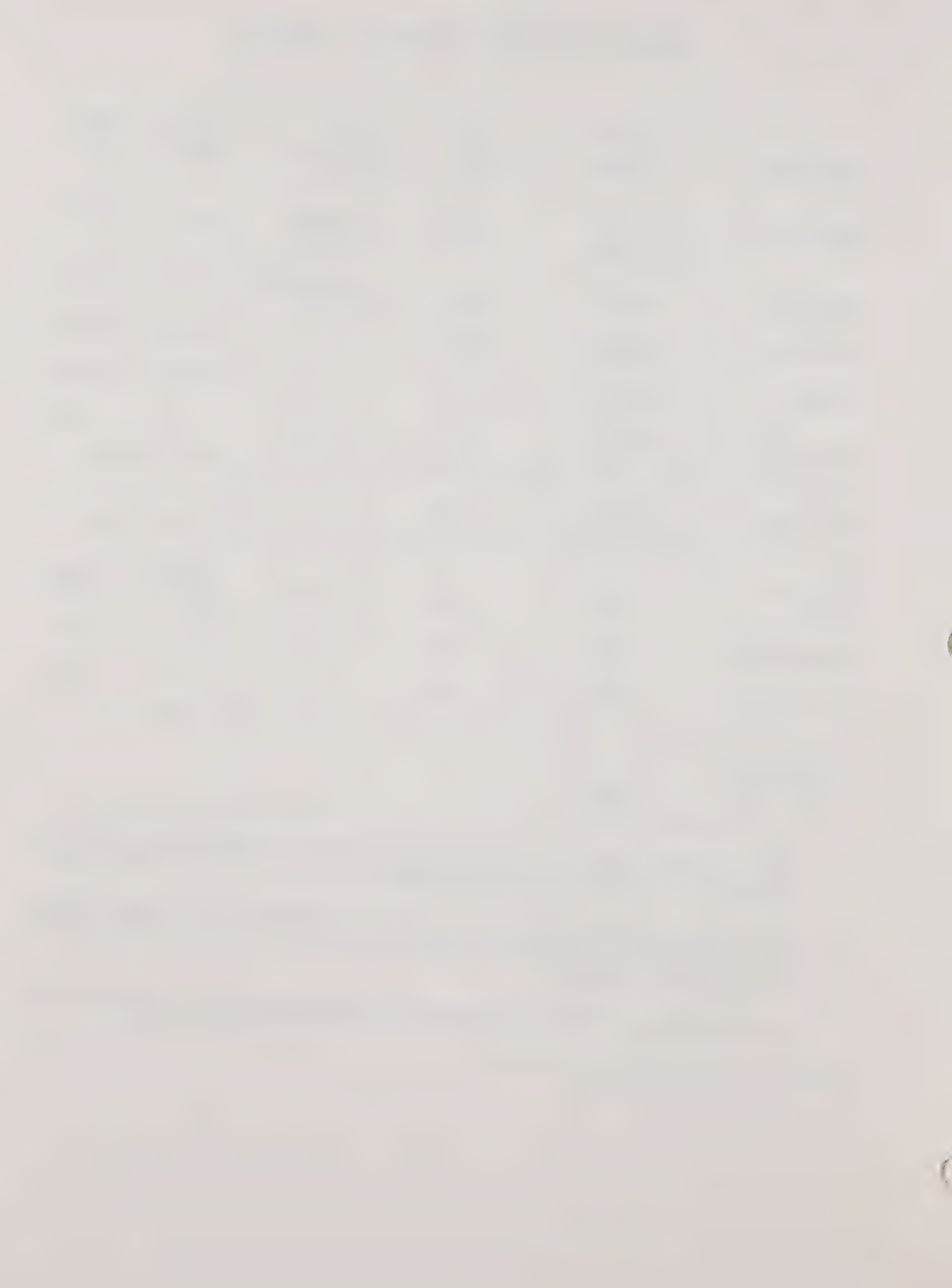
| <u>Type of Seat</u> | <u>Total # Seats</u> | <u>Ticket Price</u> | <u>10 Year License Fee</u> | <u>Deposit on Seat</u> | <u>Annual Fee</u> |
|---------------------------|--------------------------|-------------------------|--------------------------------|----------------------------|-----------------------|
| Club Loge | 620 1,240 | \$33 | \$1,600/Yr 850 | n/a | \$100 |
| Field Loge | 10,754 | \$33 | \$200-300/Yr | n/a | \$100 |
| Club Seat | 6,307 | \$33 | n/a | \$400-850 | \$400-850 |
| Premium | 8,985 | \$33 | n/a | \$50-300 | \$50-300 |
| General Adm. | 30,918 | \$33 | n/a | n/a | n/a |
| <hr/> | | | | | |
| Total Seats | 58,824 | \$33 | | | |
| <hr/> | | | | | |
| Executive Suites* | 960 | n/a | n/a | 80 @ \$40,000/ Year | \$40,000 |
| Other Suites** | 216 | n/a | n/a | n/a | n/a |
| Other Seats*** | 5,000 | n/a | n/a | n/a | n/a |
| <hr/> | | | | | |
| TOTAL SEATS AND SUITES | 65,000 | | | | |

* Assumes 98 total "Executive Suites" (luxury boxes) with 12 seats per suite. Eighty suites are assumed to be leased (licensed) @ \$40,000 each season for a total of 960 seats.

** Assumes three suites are unleased, 11 are given complimentary to the Raiders and are not available for sale, and four are retained by the OACC for a total of 18 suites @ 12 seats per box, or 216 seats.

*** Assumes 5,000 seats are given complimentary to the Raiders and are not available for sale.

Source: Sports Corp, Inc. via OACC



8. Distribution of Football Revenue

In lieu of a payroll tax or a sales tax on ticket sales, the Raiders would pay a business license tax to the City of Oakland. This tax would be based on the Raiders gross receipts. Gross receipts would primarily consist of ticket sales, media and advertising revenue.

The Raiders must allocate 34 percent of ticket revenues to the visiting football team. However, the City of Oakland Business Tax Instructions state that a visiting team is doing business here and must therefore report 100 percent of this revenue to the city and be taxed accordingly. ("Whether or not your fixed place of business is located within Oakland, you must report as taxable gross receipts amounts received or receivable from services performed in Oakland."). Thus, all revenue from home game ticket sales and media revenue is taxable.

The Raiders would also have to pay a business license tax on 30 percent of gross revenues received outside of Oakland. Since the Raiders receive the standard NFL 34 percent share of ticket/gate receipts when playing away games in other cities, this revenue would be taxable ("If you maintain a fixed place of business in Oakland, you must report at least 30 percent of the gross receipts received from services performed outside of Oakland").

To arrive at an "Away Game Revenue" figure, KL&Co. surveyed six NFL teams in the western U.S. to determine an average ticket price per away game. A rate of \$29 in inflated dollars, slightly lower than the Raiders' \$33 price, is assumed. Average attendance at away games was extracted from the official NFL publication, "The Official NFL 1989 Record & Fact Book." Using 1988 attendance figures, the weighted average attendance figure for two away pre-season and eight regular season games was determined to be 58,103.

9. Parking Revenue

The Raiders would receive 100 percent of the parking revenue. The parking fee is assumed to be \$7 (1992 dollars) per vehicle and it is assumed that 10,000 revenue spaces will be sold at all 10 home games. Parking revenue is included as part of the Raiders gross receipts and the City of Oakland business license tax applies.

10. Concession Revenue

Assuming the above mentioned per capita expenditures on concessions and merchandise, the Raiders would receive 100 percent of the concessions and merchandise revenue. It is assumed that the Raiders would then allocate some percentage of the merchandise revenue to its vendors, but it is treated here as taxable gross revenue, and is subject to the business license tax.

11. Baseball Gross Receipts

It is assumed that in 10 additional baseball games, the Oakland Athletics will garner additional revenue from additional ticket sales and concessions/merchandise. As listed above, the average ticket price is assumed to be \$9.33. Eighty percent of the 6,700 seats will be sold and per capita expenditures on concessions and merchandise would be \$7 and \$1.60, respectively. The Athletics would receive 30 percent of the concession revenue and 100 percent of the merchandise revenue. As in Assumption numbers 10 to 13, this revenue is subject to the Oakland business license tax.

12. Real Property Tax

It is assumed that OACC will directly pay, or reimburse the Raiders, for real property taxes levied against the Coliseum improvements, whether the tax is levied as the usual ad valorem tax or a possessory interest tax. It is further assumed that the fair market value of these improvements is the estimated construction cost of \$58.5 million (assumes Hall of Fame cost of \$5 million is included).

13. Personal Property Tax

All business and personal property in Oakland is subject to a personal property tax. KL&Co. surveyed Bay Area interior design firms to derive a price per square foot for "furnishings, fixtures and equipment" for a typical office layout and has applied this figure to the proposed square footage for the new Raider offices and training facility (Source: HOK). Personal property taxes were not considered material to this analysis and are not calculated.

14. Estimated Off-Site Expenditures

Off-site expenditures (not taking place on the Coliseum property) by football and baseball fans at restaurants, hotels and retail establishments were derived from previous fiscal impact studies (i.e., a 1982 study on Candlestick Park expansion alternatives and the 1988 Phoenix Cardinals study), thereby adjusting these figures to approximately reflect the assumed pricing in the Oakland restaurant, retail and hotel environment.

It is assumed that an average 1992 off-site expenditure total of \$21 is made per game by individual fans at restaurants, retail establishments and hotels. Note that in addition to these expenditures by fans, the Raiders and visiting teams also contribute to overall off-site expenditures. Assumed hotel occupancy on game weekends has been matched to assumed room capacity in Oakland properties by 1991 or 1992.

15. Stadium Payroll

The impact of the Raiders' organization salaries and payroll, calculated to be approximately \$24.1 million (in 1989 dollars), was considered as part of this economic impact. It is assumed that some percentage of the Raiders' front office and player personnel would reside in or near Oakland, thus spending portions of their disposable income in Oakland establishments. These Raider employees would pay sales taxes, property taxes, etc. (Note: the \$24.1 million figure was derived by reviewing the "1985 Audit of the Raiders," by Touche-Ross and escalating these figures to the present using the CPI). However, it is difficult to estimate what the residence percentage of Raider personnel might be, therefore a tax and revenue estimate is not provided here.

16. Other Indirect Off-Site Effects

It is assumed that increased off-site expenditures may be generated by the football and baseball games played at the Coliseum, as explained in Assumption 14. It is assumed that these expenditures represent Oakland's capture rate, or "fair share" of these expenditures. These expenditures will generate additional revenue to Oakland businesses, and these businesses will pay Oakland business license taxes. For the property tax calculation, it is assumed that these off-site expenditures (retail sales per square foot were assumed to be \$250/SF) might generate new construction valued at \$4 million.

17. One-Time Sales Tax Windfall from Coliseum Improvements

Based on discussions with HOK, area construction contractors and labor unions, it is assumed that the \$58.5 million construction cost can be allocated into a labor component (55 percent) and a materials component (45 percent). It is assumed that 35 percent of the materials will be purchased in Oakland and 25 percent in Alameda County.

To estimate new construction jobs created by the Coliseum rehabilitation, an average salary figure for a construction worker was obtained by from the Association of General Contractors of California, Oakland. A one-year construction period was assumed.

18. Real Estate Development Project

The proposed real estate development project described for the OACC in the report, "Real Estate Development Potentials at the Oakland-Alameda County Coliseum," (June, 1989), includes a 500-room hotel, a 40,000/SF restaurant, 95,800/SF of retail/recreation and a 7,200 car parking garage. The estimated value of the land and proposed improvements is \$130 million, with the land value component assumed to be \$30 million and the value of the improvements at \$100 million. Land-use totals 23 acres, including adequate surface parking. The project could be fully-developed by 1995. The new parking structure is an integral part of the development scheme, in order to maintain approximately 10,000 spaces at the Coliseum site for all sports and entertainment events.

19. One-Time Sales Tax Windfall from Phase 2 Development

The same methodology employed to determine the one-time sales tax windfall from the Coliseum rehabilitation (Phase 1) can be applied here. Based on discussions with HOK, area construction contractors and labor unions, it is assumed that the \$100 million construction cost can be allocated into a labor component (55 percent--see No. 17) and a materials component. It is assumed that 35 percent of the materials will be purchased in Oakland and 25 percent will be purchased in Alameda County.

To estimate new construction jobs created by Phase 2, an average salary figure for a construction worker was obtained from the Alameda County Central Labor Council and the Association of General Contractors. A two-year construction period was assumed.

20. BART Revenues

Based on discussions with OACC and BART, it is assumed that 25 percent of fans would take BART to and from games at the Coliseum. An average \$3 round-trip fare was assumed. It is assumed that for football, there are 65,000 fans, with an estimated capture rate of 20 percent. For baseball, a capture rate of 20 percent is applied to the additional 5,400 (80 percent of the new 6,700 seats) fans on the 10 additional dates.

In addition to fare box revenue, it is assumed that BART would also share in the sales tax proceeds from concessions/merchandise/catering sales, off-site expenditures and sales taxes generated at the proposed real estate development project. BART would also receive a share of the property tax on any new off-site development and the proposed real estate development project.

EXHIBIT ES-4

ASSUMPTIONS FOR THE RAIDERS FISCAL IMPACT STUDY

1. Phase 1 - Coliseum Rehabilitation and Construction of Football Facilities

| Proposed Item | Construction Value |
|---------------------------------|---------------------|
| Coliseum Rehabilitation | \$46,500,000 |
| Practice Field | 3,500,000 |
| Executive Suites Rehabilitation | 3,500,000 |
| Raider Hall of Fame | <u>5,000,000</u> |
| Total | <u>\$58,500,000</u> |

2. Phase 2 - Proposed Real Estate Development Project On-Site

| Proposed Item | | Value of Land Acres and Improvements |
|-------------------|--------------|---|
| Hotel | 500 Rooms | 6 |
| Restaurant | 40,000 SF | 13 |
| Retail/Recreation | 95,800 SF | 4 |
| Parking Structure | 7,200 Spaces | <u>14</u> |
| Total | | <u>37</u> <u>\$130,000,000</u> |

3. Seating capacity for football 65,000

4. Ticket price for football \$33

5. Seating capacity for baseball

| Seat Arrangement | Existing Seats | Proposed Seats | Existing Price | Ticket Price Calculation |
|------------------|-------------------|-------------------|-------------------|--------------------------------|
| Bleachers | 7,000 | 7,000 | \$3 | \$21,000 |
| 1st Deck | 16,948 | 17,912 | 10 | 179,120 |
| Club Deck | 11,219 | 15,685 | 9 | 141,165 |
| Press Area | 843 | 0 | n/a | n/a |
| 3rd Deck | 13,537 | 15,157 | 7 | 106,099 |
| Suites | <u>446</u> | <u>974</u> | <u>10</u> | <u>9,740</u> |
| TOTAL | 49,993 | 56,728 | | 457,124 |

Addition to seating capacity 6,735 \$8.06

6. Average ticket price for baseball -- 1992 /a/ \$9.33

/a/ Assume current price structure applied to
proposed seats and inflated 5% per year to 1992

ASSUMPTIONS FOR THE RAIDERS FISCAL IMPACT STUDY (cont.)

| | |
|--|----------|
| 7. Occupancy Factor--Football Games | 100% |
| 8. Occupancy Factor--Add'l. Baseball Games | 80% |
| 9. Per Capita Expenditures on Concessions @ football games | \$7.00 |
| 10. Per Capita Expenditures on Merchandise @ football games | \$1.25 |
| 11. Per Capita Expenditures on Concessions @ baseball games | \$7.00 |
| 12. Per Capita Expenditures on Merchandise @ baseball games | \$1.60 |
| 13. # of Home/Away Football Games per season | 10 |
| 14. # of baseball games per season with add'l. ticket sales | 10 |
| 15. Catering sales-expenditures per game | \$25,000 |
| 16. Off-site restaurant sales generated by Raiders--Dinner (per person) | \$28 |
| 17. Off-site restaurant sales generated by Raiders--Breakfast (per person) | \$14 |
| 18. Off-site restaurant sales generated by visiting team--Dinner (per person) | \$28 |
| 19. Off-site restaurant sales generated by visiting team--Breakfast (per person) | \$14 |
| 18. Off-site restaurant sales generated by game officials--Dinner (per person) | \$23 |
| 19. Off-site restaurant sales generated by game officials--Breakfast (per person) | \$12 |
| 20. # of persons in Raider organization generating off-site expenditures | 130 |
| 21. # of persons on visiting team generating off-site expenditures | 98 |
| 22. # of officials generating off-site expend. | 10 |
| 23. Off-site gross expenditures per capita (by fans) in restaurants | \$9.00 |
| 24. Off-site gross expenditures per capita (by fans) in retail establishments | \$5.00 |
| 25. Off-site gross expenditures per capita (by fans) at hotels | \$7.00 |
| 26. Total off-site gross expenditures per capita | \$21.00 |
| 27. # of hotel rooms rented by Raiders, assuming two (2) persons per room | 65 |
| 28. # of hotel rooms rented by visiting team, assuming two (2) persons per room | 49 |
| 29. # of hotel rooms rented by officials | 10 |
| 30. Average hotel room rate | \$90 |
| 31. # of hotel rooms nights generated by Raiders during training camp: 5 nights @ 35 new players + 5 nights @ 65 veterans + 35 new | 675 |

*Richard
Winn*

Economics Research Associates



Los Angeles, California
San Francisco, California
Chicago, Illinois
Boston, Massachusetts
Washington, D.C.
Ft. Lauderdale, Florida

EXECUTIVE SUMMARY
LOCAL ECONOMIC IMPACT ACTIVITY
GENERATED BY THE OAKLAND RAIDERS
FOOTBALL ACTIVITIES

PREPARED FOR
THE CITY OF OAKLAND

MAY 1983



INTRODUCTION AND APPROACH

This report presents a summary of the estimated annual economic impact on the Oakland-San Francisco Region resulting from Oakland Raiders football activities during 1980. Our analysis measures the estimated annual expenditures injected into the local economy as a direct result of Oakland Raiders' activities including expenditures by the Raiders, the Oakland-Alameda County Coliseum, local fans, out-of-area fans, visiting football teams, and electronic media/press. We have exercised a great degree of care to avoid "double-counting" of impact and have excluded those out-of-area expenditures which do not benefit the local economy.

Our analysis is based on examination of Oakland Raiders Football Club documents pertaining to their financial operations, NFL team financial data, Oakland-Alameda County Coliseum records, a series of case studies of the impact of pro sports teams on their respective regions, our experience in analyzing similar activities, and other miscellaneous sources of information.

While there is a substantial amount of documentation of expenditure transactions, it is necessary to adopt a set of assumptions which allow estimation of impact. We believe that the assumptions employed in the analysis are reasonable and lead to a conservative measurement of local economic impact generated by Oakland Raiders football activities.

Total economic impact generated by the Oakland Raiders occurs on two levels: primary and induced. While primary impact refers to the initial first round expenditures associated with the Raiders activities, induced economic impact results from the subsequent rounds of respending the primary impact income. The induced impact phenomenon, also referred to as the multiplier effect, is well recognized and quite substantial relative to an economy as large and diversified as that of the Oakland-San Francisco region.

We have estimated the economic impact generated by Oakland Raiders activities during the 1980 football season on the Oakland-San Francisco region. Since the economic structure does not respect political

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boundaries, it is difficult to isolate the economic impact accruing to specific political jurisdictions. Thus, we believe that the regional economy comprised of the Bay Area counties of Alameda, Contra Costa, San Francisco, Santa Clara and San Mateo represents the appropriate geographical area with respect to impact measurement.

IMPACT SUMMARY

The annual economic impact on the Oakland-San Francisco region resulting from Oakland Raiders activities during 1980 is summarized in Table 1. Total annual primary expenditure impact is measured at \$10.1 million, with the induced expenditure impact totaling slightly more than \$20 million during 1980 (gross expenditure multiplier of 3.0), yielding a total annual expenditure impact on the Oakland-San Francisco region of about \$30 million during 1980.

It is important to note that the primary expenditure impact shown represents only the local component of total primary expenditures. That is, primary impact expenditures which are made outside the local area have been factored out of the analysis. For example, Oakland Raiders expenditures for player travel which accrue to proprietors in other NFL cities are not included in the measurement of primary economic impact. As another example, insurance premiums paid to nonlocal insurance underwriters are excluded from the impact, even though it is possible that some of these expenditure dollars could be returned to the local economy through payment of insurance claims.

The employment associated with the primary economic impact activities during 1980, measured in terms of full-time equivalent employees, is estimated at 302 employees. Induced employment is estimated at 558, yielding a total employment impact of 860.

The local tax revenues accruing to the City of Oakland as a result of Oakland Raiders' primary economic impact activities is estimated at \$136,000 for the 1980 football season. Local governmental revenues include transient occupancy taxes, sales and use taxes, business license fees, and

The first part of the paper discusses the importance of the study and the objectives of the research. It also outlines the methodology used in the study and the results obtained. The second part of the paper discusses the implications of the study and the conclusions drawn from the research. The third part of the paper discusses the limitations of the study and the areas for future research.

The study was conducted in a laboratory setting and the results were compared with those obtained from field studies. The study found that the results of the laboratory studies were in good agreement with those obtained from field studies. The study also found that the results of the laboratory studies were in good agreement with those obtained from field studies.

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Table 1

SUMMARY OF IMPACTS ON OAKLAND-SAN FRANCISCO REGION
GENERATED BY OAKLAND RAIDERS FOOTBALL ACTIVITIES
1980

| | <u>Economic Impact Expenditures (thousands)</u> | <u>Employment Impact (full-time equivalent)</u> | <u>City of Oakland Tax Revenue (thousands)</u> |
|---------|---|---|--|
| Primary | \$10,095 | 302 | \$136 |
| Induced | <u>20,190¹</u> | <u>558²</u> | <u>—</u> |
| Total | \$30,285 | 860 | -- |

¹Based on a gross expenditure multiplier of 3.0 (net multiplier of 2.0).

²Based on applying a payroll to expenditure ratio of .45 to induced expenditures, and deflating resulting payroll by an average earnings per employee of \$16,290 for 1980.

Source: Economics Research Associates.



personal property taxes. No attempt has been made to measure local government revenues associated with induced economic impact activities.

PRIMARY EXPENDITURE IMPACT

Primary expenditure economic impact is summarized by major component in Table 2. Once again, the total primary expenditure impact represents only the local component of expenditures. Also, care has been exercised to avoid double counting of expenditures. For example, rental payments by the Raiders to the Oakland-Alameda County Coliseum are excluded from the Raiders expenditures, as these are accounted for through the inclusion of Oakland-Alameda County Coliseum expenditures. Similarly, fan expenditures on tickets are excluded from the category designated as local fan expenditures, as these are accounted for in Oakland Raider expenditures for personnel, supplies, and the like.

Support for the primary expenditure summary component values is contained in Tables 3 to 7. Oakland Raiders expenditures are presented in Table 3. Both total expenditures and the estimated local expenditure component are shown. The local component refers to those expenditures taking place within the five-county Oakland-San Francisco region. Table 4 shows Oakland-Alameda County Coliseum estimated expenditures relating to Oakland Raider activities. The table actually shows 100 percent of the revenues collected by the coliseum/concessionaires less an allocated share of debt service which escapes the local economy. In this case, revenues collected by the coliseum/concessionaires in-turn represent coliseum expenditures on utilities, maintenance, administration, parking attendants, merchandise and supply purchases, etc. Table 5 shows estimated local and out-of-area fan off-site expenditures. These are expenditures for lodging, food and beverage, transportation, merchandise and other goods and services to and from the game, in addition to what is actually spent at the game itself. The factors employed in the analysis are derived from surveys conducted at sports facilities in other cities. Table 6 presents estimated visiting team expenditures. The \$80,000 per game level is consistent with



Table 2

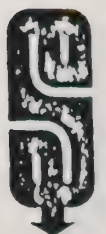
SUMMARY OF
PROJECTED PRIMARY ECONOMIC IMPACT
GENERATED BY OAKLAND RAIDERS
1980
(Thousands of Dollars)

| | <u>Amount</u> |
|---------------------------------------|---------------|
| Oakland Raiders | \$ 4,882.1 |
| Oakland-Alameda County Coliseum, Inc. | 1,791.4 |
| Local Fan Expenditures | 1,370.9 |
| Out-of-Area Fan Expenditures | 841.4 |
| Visiting Football Teams | 880.0 |
| Electronic Media/Press | <u>328.9</u> |
| Total | \$10,094.7 |

Source: Economics Research Associates.

Table 3

RAIDER EXPENDITURE
1980



| | Amount ¹ (thousands) | Point of Sale | | Local Expenditure |
|---------------------------------------|------------------------------------|--------------------|-----------------------|----------------------|
| | | Local (percent) | Nonlocal (percent) | |
| Compensation | \$ 5,932.3 | 57% ² | 43% | \$3,381.4 |
| <u>Other Expenditures</u> | | | | |
| Team and Game Supplies | \$ 499.5 | | | |
| Medical and Dental | 166.2 | | | |
| Cleaning and Laundry | 55.0 | | | |
| Player Travel, Motel and Meals | 1,222.8 | | | |
| Stadium Expense | 260.4 | | | |
| Workmen's Compensation | 598.3 | | | |
| Miscellaneous Team and Game Expenses | 24.3 | | | |
| Telephone | 86.8 | | | |
| Postage, Supplies and Maintenance | 247.4 | | | |
| Legal and Accounting | 323.6 | | | |
| Insurance | 252.8 | | | |
| League Assessment | 592.0 | | | |
| Travel | 186.6 | | | |
| Entertainment | 229.0 | | | |
| Publicity, Promotions and Advertising | 182.3 | | | |
| Scouting Fees | 37.5 | | | |
| Waiver Fee | (2.8) | | | |
| Ticket Printing | 9.9 | | | |
| Miscellaneous | 30.8 | | | |
| Subtotal | \$ 5,002.4 | 30% | 70% | \$1,500.7 |
| Total | \$10,934.7 | -- | -- | \$4,882.1 |

¹Based on 1981 expenditure patterns.

²Based on 80 percent local for five months and 40 percent local for seven months of year, yields 57 percent.

Source: Oakland Raiders Football Club.



Table 4

OAKLAND-ALAMEDA COUNTY COLISEUM, INC.
STADIUM REVENUES
1980
(Thousands of Dollars)

| | <u>Amount</u> |
|--------------------------------------|---------------|
| Stadium Rental Revenues ¹ | \$ 587.9 |
| Concessions ² | 1,304.7 |
| Parking ³ | <u>143.3</u> |
| Subtotal | \$2,035.9 |
| Less: Debt Service ⁴ | (244.5) |
| Net Revenues | 1,791.4 |

¹Rental revenues actually received by Stadium. Does not include credit of \$81,244 per Oakland Raiders Supplemental Agreement to Stadium license Agreement.

²Stadium received 35 percent of gross concessions revenues. Stadium reported receipt of \$456,653 during 1980 football season, indicating gross concession revenues of \$1,304,700.

³Stadium received 92.5 percent of gross parking revenues or \$132,583 in 1980, indicating gross revenues of \$143,300.

⁴1980 Raiders attendance of 489,541 accounted for 16.3 percent of total Coliseum-Stadium complex attendance in FY 1980-1981. Oakland Raiders share of debt service expense of \$1.5 million per year has been allocated on a pro rata basis at 16.3 percent.

Source: Oakland-Alameda County Coliseum, Inc.

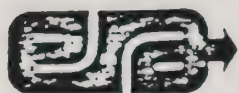


Table 5

LOCAL AND OUT-OF-TOWN FAN EXPENDITURES
OFF-SITE
1980

| | <u>Percent Spending</u> | <u>Average Expenditure</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|--------------------------------|--------------|
| <u>Local Fans</u> ¹ | | | |
| Food and Beverages | 25% | \$ 4.25 | \$ 417,670 |
| Entertainment | 15 | 2.50 | 147,410 |
| Shopping | 15 | 2.00 | 117,930 |
| Local Transportation/Parking | 25 | 2.00 | 196,550 |
| Gasoline | 25 | 5.00 | 491,380 |
| Total | | \$15.75 | \$1,370,940 |
| <u>Out-of-Town Fans</u> ² | | | |
| Food and Beverages | 25 | \$ 6.50 | \$ 156,720 |
| Entertainment | 15 | 3.00 | 43,400 |
| Lodging | 10 | 28.00 ³ | 270,030 |
| Shopping | 10 | 5.50 | 53,040 |
| Local Transportation/Parking | 25 | 2.00 | 48,220 |
| Gasoline | 35 | 8.00 | 270,030 |
| Total | | \$53.00 | \$ 841,440 |
| Total Off-Site Fan Expenditures | | | \$2,212,380 |

¹Based on 393,101 local fans or 80.3 percent of total ticket sales (see Table 8). For the purposes of this analysis, local fans were defined as residing in the contiguous five-county area consisting of Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara. Combined, the five-county area accounted for 83 percent of total Raiders season ticket sales in 1980 (see Table 10) and an estimated 65 percent of box office sales.

²Based on 96,440 nonlocal fans or 19.7 percent of local ticket sales (see Table 8). Nonlocal fans comprise 17 percent of season ticket sales and 35 percent of box office sales.

³Double occupancy.



Table 6
PROJECTED VISITING TEAM EXPENDITURES
1980

| | <u>Expenditures per Game</u> |
|-------------------------------------|----------------------------------|
| Air Travel | \$ 50,000 |
| Lodging | 10,000 |
| Meals | 8,500 |
| Entertainment/Parties | 5,000 |
| Ground Transportation/Miscellaneous | <u>6,500</u> |
| Total Expenditures per Game | \$ 80,000 |
| Total 1980 Home Season | \$880,000 |

Source: Oakland Raiders Football Club.



Table 7
ELECTRONIC MEDIA/PRESS EXPENDITURES
1980

| | <u>Per Capita Expenditures</u> | <u>Total Expenditures per Game</u> |
|-------------------------------------|--|--|
| Lodging ¹ | \$ 60 | \$13,800 |
| Food and Beverage | 40 | 9,200 |
| Local Transportation and Parking | 20 | 4,600 |
| Other Miscellaneous | <u>10</u> | <u>2,300</u> |
| Total | \$130 | \$29,900 |
| Total 1980 Home Season Expenditures | | \$328,900 |

¹Estimated at 135 electronic media/press per game, generating 230 visitor-days, as follows:

| <u>Media/Press</u> | <u>Visitor-Days</u> | <u>Total Visitor-Days</u> |
|--------------------|---------------------|---------------------------|
| 60 Local | 1 | 60 |
| 10 Advance TV Crew | 4 | 40 |
| 45 TV Crew | 2 | 90 |
| 20 Nonlocal Press | 2 | <u>40</u> |
| Total | | 230 |

Source: Economics Research Associates.



the experience of most NFL teams as well as the Raiders. Since all of the Raiders travel expenditures were assumed to be nonlocal (including air fare), all of the visiting team expenditures are assumed to accrue to local proprietors. Table 7 presents estimated expenditures for electronic media/press personnel who covered the Raiders home games.

PRIMARY EMPLOYMENT IMPACT

An estimate of employment associated with primary economic impact expenditures is presented in Table 8 by source of employment. The estimate of 302 employees represents full-time equivalent employees. That is, part-time employees have been converted to full-time equivalent employees using appropriate annual work day factors.

PRIMARY LOCAL GOVERNMENT IMPACT

Table 9 displays our estimates of local governmental tax revenues accruing to the City of Oakland as a result of Oakland Raiders football activities. Total revenue accruing to the City of Oakland during 1980 is estimated at \$136,300. Sources of revenue include transient occupancy taxes, sales and use taxes, business license fees, and personal property taxes. We have assumed that 100 percent of the transient occupancy taxes generated by nonlocal fans accrue to the City of Oakland and that 60 percent of sales and use tax generated by off-site fan expenditures are captured by the City of Oakland. Currently, the City of Oakland captures about 40 percent of entertainment-related total taxable retail sales generated in Alameda County, but we feel that since off-site sales activity is focused around the Coliseum, a 60 percent capture share is reasonable.

INDUCED ECONOMIC IMPACT

The secondary, tertiary, and subsequent rounds of responding the primary economic impact expenditures induce additional economic impact.



Table 8

FULL-TIME EMPLOYMENT ACTIVITY GENERATED
BY OAKLAND RAIDERS
1980

| | <u>Full-Time Employment</u> |
|---|---------------------------------|
| Oakland Raiders | |
| Players | 50.0 |
| Nonplayers | 36.0 |
| Part-Time--100 Employees | <u>5.5¹</u> |
| Subtotal | 91.5 |
| Stadium | |
| Full-Time--58 x 16.3 Percent Raiders' Share | 9.5 |
| Part-Time--410 Employees | <u>22.6¹</u> |
| Subtotal | 32.1 |
| Volume Services (Concessionaire) | |
| Full-Time | 6.0 |
| Part-Time--500 Employees | <u>27.5¹</u> |
| Subtotal | 33.5 |
| Ruppert Auto Park | |
| Full-Time | 6.0 |
| Part-Time--40 Employees | <u>2.2¹</u> |
| Subtotal | 8.2 |
| Golke (Raiders' Programs/Merchandise) | 9.0 |
| Local Services | 125.0 |
| Municipal Services | <u>2.5</u> |
| Total Employment Generated | 301.8 |

¹Part-time employment is converted to full-time equivalent by multiplying by 11 game-days and dividing by 200 days per year.



Table 9

LOCAL GOVERNMENTAL REVENUES GENERATED BY OAKLAND RAIDERS
1980

| | Taxable Receipts | City of Oakland Revenues Generated |
|--|-------------------------|--|
| Transient Occupancy Tax¹ | | |
| Out-of-Area Fans | \$ 270,000 | \$21,600 |
| Visiting Teams | 110,000 | 8,800 |
| Electronic Media/Press | 151,800 | 12,100 |
| Other Raiders-Related | 10,000 | 800 |
| Total | \$ 541,800 | \$ 43,300 |
| Sales and Use Tax² | | |
| Stadium Concessions | 1,304,700 ⁵ | 7,800 |
| Local Fun Expenditures | 683,000 ⁶ | 4,100 |
| Out-of-Area Fan Expenditures | 253,200 ⁷ | 1,500 |
| Oakland Raiders | 1,409,600 ⁸ | 8,500 |
| Visiting Team | 110,000 ⁹ | 700 |
| Electronic Press/Media | 77,000 ¹⁰ | 500 |
| Compensation-Generated Retail Expenditures | 1,483,100 ¹¹ | 8,900 |
| Total | \$ 5,320,600 | \$ 32,000 |
| Business License Fees³ | | |
| Concessions | 1,304,700 | 1,600 |
| Parking | 143,300 | 200 |
| Oakland Raiders | 12,088,100 | 54,400 |
| Total | \$13,536,100 | \$ 56,200 |
| Personal Property Tax⁴ | | |
| Oakland Raiders | 47,000 | 4,800 |
| Grand Total | — | \$136,300 |

¹Based on City of Oakland transient occupancy tax of 8 percent.

²Based on state sales and use tax of 6 percent, 1 percent returned to the City of Oakland. Assumes 60 percent local sales capture rate.

³Based on Oakland business license fee schedule: \$25 on first \$5,000 gross receipts; thereafter, \$1.20/\$1,000.

⁴Per Alameda County Auditor-Controller, City of Oakland share is 10.25 percent of general tax rate.

⁵At 100 percent of receipts shown in Table 7.

⁶Excludes local transportation parking and gasoline purchases (Table 8).

⁷Excludes lodging, local transportation/parking and gasoline purchases (Table 8).

⁸Calculated at 75 percent of estimated local expenditures amount shown in Table 5.

⁹Calculated at 75 percent of meals and entertainment per game expenses shown in Table 12.

¹⁰Calculated at 75 percent of food and beverage per game expenses shown in Table 11.

¹¹Calculated at 25 percent of Raiders employee salaries amount shown in Table 6.



This induced, or "multiplier effect," impact is widely dispersed throughout the Oakland-San Francisco economy. For example, the income earned by a coliseum/concessionaire employee will be respent for goods and services such as housing, food and beverage, clothing, entertainment, etc. Recipients of the second-round expenditures will, in turn, purchase goods and services, with this process continuing to ripple through the local economy. Because all of these secondary, tertiary, and subsequent rounds of spending result directly from primary activity, they are regarded as an induced impact of the Oakland Raiders activities. The induced impact is literally the summation of the spending which occurs during the second, third and subsequent rounds of expenditure.

Induced impact is calculated by applying an appropriate expenditure multiplier to the primary economic impact. Gross multiplier values for the Oakland-San Francisco region derived from the Regional Industrial Multiplier System (RIMS) model developed by the U.S. Department of Commerce, Bureau of Economic Analysis, slightly exceed 3 relative to service and retail trade industries. The gross multiplier represents the ratio of total to primary economic impact. Thus, the net multiplier (ratio of induced to primary impact) is equal to the gross multiplier less unity. We have applied a gross multiplier of 3.0 (2.0 net) to primary economic impact.

Induced and total economic impact resulting from the Raiders activities are summarized below:

| | <u>Economic Impact (thousands)</u> |
|-------------------------|--|
| Primary Economic Impact | \$10,095 |
| Induced Impact | <u>20,190</u> |
| Total | \$30,285 |



Induced employment is estimated by applying a payroll to gross expenditure ratio to induced expenditure impact, and deflating the resulting payroll estimate by an average earnings per employee factor. Using a .45 payroll to gross expenditures ratio and a \$16,290 average earnings per employee factor, induced employment is calculated at 558, yielding total employment as follows:

| | Employment (full-time equivalent employees) |
|---------|--|
| Primary | 302 |
| Induced | <u>558</u> |
| Total | 860 |

Rosen



CITY OF OAKLAND

Henry L. Gardner
City Manager



STEVEN C. SZALAY
COUNTY ADMINISTRATOR

September 26, 1989

HONORABLE CITY COUNCIL AND BOARD OF SUPERVISORS
Oakland, California

City Council and Board Members:

Subject: Return of the Raiders

In early 1989, following the successful two hour sell-out of the Raiders - Houston Oilers exhibition game, several interested private parties initiated a process designed to return the Raiders to the Oakland - Alameda County Coliseum (Coliseum) at the expiration of their lease commitments in 1992. At the request of the Mayor, the Chairman of the Alameda County Board of Supervisors, and the Executive Director of the Coliseum Board, the City Manager and County Administrator were asked to participate in the process and determine if a proposal could be developed which would be financially feasible for both the City and the County.

Staff has analyzed and negotiated the "return of the Raiders" proposal as a business transaction, with the understanding that the presence of NFL football in Oakland has been a goal of the City Council and Board of Supervisors since 1981 when the Raiders moved to Los Angeles.

The proposal is not in final form and substantive issues are still under negotiation. The purpose of this report is to provide information to the City Council, the Board of Supervisors, the Coliseum Board and the public regarding the concepts in the proposal and to correct any public and media misunderstanding of the Raiders transaction. No action is recommended at this time.

This report includes discussion of the following subject matter:

- I. Executive Summary
- II. Proposal Objectives
- III. Revenue Sharing Plan
- IV. Financing Plan
- V. Coliseum Renovation

EXECUTIVE SUMMARY

The proposal under discussion with the Raiders contains the following essential elements:

- o The Raiders have agreed to play unconditionally in the Coliseum for ten years - even if the renovation of the Coliseum is delayed. The license agreement extends for 24 years, subject to license termination clauses which are still under negotiation;
- o The Raiders have agreed to execute a construction contract to renovate the Coliseum to modern football standards -without damaging or interfering with the Oakland Athletics baseball operation -for a cost not to exceed \$53.5 million. The construction agreement contains protection for the City and County from construction risk and cost overruns;
- o A revenue sharing plan has been agreed to between the City, County, and the Raiders such that revenues from football fan attendance will pay for all costs associated with the renovation of the Coliseum and any payments guaranteed to the Raiders;
- o The transaction will not require City or County General Fund expenditures - the transaction is self-financed from ticket "premiums" paid by football fans attending Raiders games;
- o The projected revenues to the City and County have been validated by an independent marketing consultant (Economic Research Associates) and by an extensive telephone survey of 1100 persons who attended the exhibition game;
- o Conservative revenue assumptions analyzed over a fifteen year period indicate:
 - no annual expenditures will be required from the City and County's general funds;
 - all bonds related to the transaction will be retired in ten years;
 - a reserve of approximately \$20 million is established which can be used to cover unforeseen losses, such as years in which the Coliseum doesn't sell out;

*How many
live in
Oakland*

- an additional \$10 million will be spent for Coliseum modernization during this period;
- o Ticket prices for the games will be segmented by higher quality seats and stadium amenities - but approximately half the stadium will remain at the average NFL general admission price, and the average "premium seat" will cost about \$600 per season;
- o In exchange for the right to share in premium seat revenues, the City and County must assume the responsibility to market the seats, and guarantee that certain revenues will flow to the Raiders for the operation of the team. The guarantees are cancellable at five year intervals, but such cancellation terminates further premium seat revenue shares for the City and County;
- o In exchange for the revenue sharing plan, the City and County have guaranteed the Raiders \$54.9 million in cash paid over 10 years (including \$31.9 million to be paid by June, 1990), but these payments - and the \$53.5 million needed to renovate the Coliseum - will be made from a projected \$268 million of revenue to be collected by the City and County over a fifteen year period;
- o Further guarantees to the Raiders - tied to the revenue sharing plan - include:
 - General Admission sell-outs (all seats)
 - Annual Club membership revenues of \$3.6 million
 - Annual Executive Suite revenue of \$3.7 million

The projections indicate all guaranteed revenues will be achieved by the Marketing Plan.

- o Under the proposal, the Raiders retain significant financial incentives and capacity to maintain a viable football franchise over the term of the agreement;
- o A license agreement will be executed simultaneously with any agreement reached with the Raiders, avoiding the situation as was encountered by Irwindale, California, where cash payments were advanced even though Irwindale was unable to timely perform its obligations.

PROPOSAL OBJECTIVES

There are three major objectives with respect to the proposal :

1. Attract the Raiders to return to Oakland by renovating the Coliseum to modern NFL standards, allowing the Raiders to take advantage of revenues generated by the strong regional support which remains here;
2. Create a revenue sharing proposal which provides the City and County with a "higher than reasonable probability" that revenues from Raiders football games will pay for the entire transaction without any General Fund contribution; and
3. Ensure that the ticket prices charged to view the Raiders makes available approximately half the stadium for General Admission at the average NFL ticket price, and to have the majority of the remaining "premium seating" still affordable to most Raiders fans in the region.

9/30/89
rep. 6

The benefits of returning the Raiders to Oakland include:

- o an estimated \$1 million of annual tax revenue to the City of Oakland from sales tax, business tax, and hotel tax, and approximately \$200,000 per year to Alameda County agencies;
- o the opinion of business officials that a professional football team enhances the image of a community and therefore stimulates overall economic growth;
- o the creation of approximately 1,000 full and part time jobs from activity generated by the presence of the Raiders;
- o the direct economic benefits to local businesses who serve the public who attend games;
- o the positive community benefits derived from Oakland's and Alameda County's identification with a successful football franchise; and
- o other opportunities that may be created by the presence of the team, such as the creation of a sports fund which may provide up to \$450,000 per year to expand and enhance the after-school Oakland Athletic League sports program.

Ng
Stadium
Name

THE REVENUE SHARING PROPOSAL

The heart of the transaction is the revenue sharing plan formulated between the parties. Because the City and County are not in a financial position to commit scarce General Fund resources to attract NFL football, a means had to be found to generate revenues sufficient to both renovate the Coliseum and provide the Raiders with revenue flows sufficient to maintain their football operation.

The opportunity to the City and County results from three major advantages:

- o the existence of a well situated Coliseum complex with a stadium that can be feasibly renovated to modern football standards at a cost much less than constructing a new stadium;
- o an entrenched Raiders fan base in the community, with a record of unparalleled support for the team including twelve consecutive sell out years prior to the move in 1981; and
- o the dramatic growth of the East Bay since 1981, and its projected future growth, which makes the East Bay one of the highest income regions in the country to support an NFL football team.

Given these distinct advantages, and the Raiders desire to return to their home fan base under competitive conditions, the City, County, and the Raiders agreed to work creatively to structure a revenue sharing plan which will allow monies generated from football fans to reimburse the City and County for the costs associated with the Raiders' return.

The Raiders have agreed to allow the City and County the right to market Raiders' tickets and share revenues generated by the sale of "premium seats," as described below. In exchange the City and County must agree to guarantee to the Raiders (cancellable at five year intervals) the sale of all game tickets and a portion of the premium seat revenues.

The business risk to the City and County is that the Raiders' fan support in the region must be strong enough to

How much spent?

support the projected revenues assumed in the marketing and financial plan. Because of the potential risk, staff has engaged the services of independent marketing experts to verify the projections which will be discussed below in the financing plan section. Clearly, the transaction is feasible only because of the depth of support that the Raiders already enjoy in the region in addition to the growing strength of the East Bay market.

Prior to the execution of an agreement, the revenue sharing proposal will be brought before the NFL's Finance Committee for review and comment.

The revenue sharing plan consists of the following elements:

- o the sale of premium seats, some on a five or ten year basis and some on an annual basis, for approximately 55% of the stadium; *see p. 4 "half"*
- o the revenue generated by the sale of premium seats would be shared between the City, County, and the Raiders, but the bulk of these revenues are received by the City and County;
- o revenue guarantees are provided to the Raiders for sell-outs, club memberships, and executive suites in exchange for the premium seat revenue being received by the City and County;
- o parking, food, and beverage concession monies to be split between the City, County, and the Raiders;
- o cash payments to the Raiders over 10 years, totalling \$54.9 million, with \$31.9 million required to be paid by June, 1990.

Revenue Sharing from Premium Seats

The revenue sharing proposal first defines the "seating products" which will be sold at the Coliseum (see Appendix A). The seats are generally divided into five categories:

1. Loge Seats

Loge seats are the best seats in the Coliseum sold on a five to ten year basis. The revenues generated by the sale of these seats is the largest component of the City and County's share in the football revenue.

2. Club Seats

Club seats are primarily sold on an annual basis, and at least 8,000 seats will be available for sale in conjunction with Stadium Club memberships. The Raiders are guaranteed to receive a minimum of \$3.6 million per year from Stadium Club memberships, with all additional revenues split equally between the Raiders and the City and County.

3. Premium Seats

Premium seats are sold on an annual or multiyear basis and include a right of first refusal to renew the seat reservation at market rates. There are no guaranteed amounts payable to the Raiders with respect to premium seats, and all revenue derived from the sale of premium seats are split equally between the City and County and the Raiders.

~~44000~~ 40000 @ end of 5 yrs = \$ 38.13

4. General Admission Seats

half way through contract = \$ 46.33
at end of 10 yrs = \$ 53.62

General Admission seat prices are fixed at \$30 in 1990 dollars, and can be raised a maximum of 5% per year at the Raider's option. If the City and County choose to exercise their marketing rights as projected in the financing plan, then all seats must be guaranteed by the City and County to yield at least the General Admission price. This guarantee may be cancelled every five years, although the City and County would lose the right to share all seating revenues in the event of cancellation. It should be noted that since at least 30,000 seats will be sold on a long term basis, the available General Admission seats for season tickets or day of game will be limited to approximately 25-30,000. see p. 6

5. Executive Suites

Executive Suites revenues are guaranteed to the Raiders, at an average level of \$45,000 per Suite for 83 boxes (98 will be constructed). Any revenue generated from the Executive Suites in excess of the guarantee accrues to the City and County.

1 Reserved for city @ \$45,000 each x 10 games =
\$ 4,500 for city officials

FINANCING PLAN

The financing plan developed for the transaction is based upon projected revenues which will be generated entirely by fan support for the return of the Raiders in a modernized Coliseum.

Key Assumptions: Revenues from Fan Support

The key assumptions that are inherent in the financing plan have been subjected to rigorous analysis by both staff and consultants retained by staff and the Coliseum. These assumptions focus on the amount of money which can be generated by the sale of premium seats for football games and other events at the Coliseum other than baseball.

Independent Market Analysis

The analysis of the revenue potential of the transaction was performed by Economic Research Associates (ERA) which took into account the following factors:

- o the seating categories and marketing strategy contemplated in selling premium seats for Raiders games;
- o the configuration and seating areas proposed to be sold in the renovated Coliseum;
- o the experiences of other NFL teams, specifically Miami and Phoenix, who have sold similar seating categories at similar prices;
- o the demographics and economic market potential of the East Bay in comparison to Miami and Phoenix;
- o the presence of the Forty-Niners across the San Francisco Bay, and the college football teams at Stanford, San Jose State, and University of California at Berkeley; and
- o consideration for the Raiders' history in the Oakland Coliseum.

The conclusions reached by ERA are that the assumptions utilized by staff in the financing plan are both realistic and conservative, and there is a high probability that the projected revenue streams will be achieved. This conclusion was reached primarily because the East Bay region was considered a strong market for NFL football, particularly for the Raiders, and the preferred seating categories contemplated for the Coliseum have been sold very successfully in cities where new stadiums have been built or to which existing teams have relocated.

Telephone Survey Validation

ERA's conclusions were validated by an extensive telephone survey conducted by Sportscorp, Ltd. of Chicago. Utilizing primarily a list of persons who purchased tickets to the Raiders' exhibition game by telephone (approximately

1,300 names), interviews of a duration of 15-20 minutes were conducted with 1,108 persons for the purpose of determining whether the respondents would purchase certain premium seating within the Coliseum for Raiders games.

The Sportscorp, Ltd. telephone survey revealed that support for the Raiders' return was extraordinary and manifested itself in a large percentage of respondents expressing an intent to purchase premium seats within the Coliseum. The number and percentage of affirmative responses exceeded the projections outlined in the Marketing Plan. More than 95% of the respondents indicated a positive purchase intent for season tickets, and 66% of these were for premium seats. The conclusion of the survey is that the demand for premium seats will exceed the number of premium seats available for sale within the Coliseum.

at what prices?

Premium Seat Prices

A great deal of misinformation has been printed regarding the cost of premium seats, and the potential "pricing out" of the most ardent Raiders football fans. The Raiders have shared the same concern over the pricing scheme. It should be noted that the primary beneficiaries of revenues derived from premium seating are the City and County, in order to pay for the Coliseum renovation and the Raiders relocation without the use of General Fund tax monies.

At a minimum, about 45% of the Coliseum will remain at General Admission prices, and these prices may not rise more than 5% per year (at the Raiders' option). The \$30 General Admission price is comparable to the NFL average ticket price in 1990 (there are less expensive seats in the NFL, but usually these seats are of much lower quality than the upper deck seats in the Coliseum).

was 15% above average

The premium attached to seats will cover a wide range of prices, depending upon the location of the seat and additional Coliseum amenities offered. These amenities include access to a newly constructed Stadium Club, preferred parking, and automatic seat reservation rights to all events at the Coliseum, except baseball.

Other than the best 4,000 seats (approximately 6% of the Coliseum), the average cost of a premium season ticket for the Raiders game will be \$600 per year, and this average includes a large number of more expensive Stadium Club memberships. The \$600 premium season ticket for football, including amenities and right to renew the ticket, compares favorably to the cost of season tickets for baseball and basketball. A General Admission season ticket, which will have limited availability, will cost \$300 per year.

Projected Cash Flows

Based upon the premium seat prices validated by the ERA analysis and the Sportscorp telephone survey, two scenarios were developed to demonstrate the financial feasibility of the proposal to the City and County. Both scenarios utilized a fifteen year term and assume that the Raiders remain a viable football franchise, with all tickets selling out. However, both scenarios built up reserves which could be used in the event that the Coliseum did not sell out in all years. The extent of the reserves was sufficient at least to cover the potential exposure if the Coliseum sold only 75% of its capacity for two or three years.

Scenario One: "Higher than Reasonable Probability"

The first scenario was based on assumptions for which a higher than reasonable probability exists that the revenues from premium seats will be achieved. This standard was achieved by assuming that approximately 20% of the long term premium seats (loge seats which are sold on a five to ten year basis) could be sold only on an annual basis.

The cash flows from this scenario indicate that no out-of-pocket expenses will be borne by the City and County during the fifteen year time period. All bonds will be retired after ten years of football operations. A reserve of approximately \$20 million is established over fifteen years which can be used to cover any unforeseen losses, such as years where the Coliseum does not achieve sell outs. This reserve is in addition to \$10 million of budgeted renovation and modernization expenditures to be made over the fifteen year period.

The financing plan under this scenario is as follows:

1. Issuance of \$44.7 million of short term taxable bonds

The City and County issue short term taxable bonds in 1990 in the amount of \$44.7 million. This bond issuance is utilized to pay the Raiders the cash advances of \$31.9 million required in the proposal by June 30, 1990. The remaining funds from the bond issuance are used to make debt service payments and fund other transaction costs until 1992.

In 1992, when the premium seats are put up for sale, the revenues available to the City and County from the revenue sharing plan are sufficient to completely repay the \$43 million of outstanding principal of this bond issuance.

2. Issuance of \$64 million of long term tax exempt bonds and \$18 million of long term taxable bonds

The City and County issue a total of \$82 million combination tax exempt and taxable bonds to cover the cost of the Coliseum renovation and the Training Facility. Of this \$82 million bond issuance, \$27 million is utilized for capitalized interest and the establishment of a debt service reserve fund, leaving \$55 million for the cost of renovation and related costs.

In year 2001, ten years after the start of the Raiders franchise in Oakland, all of these bonds are retired when the City and County remarket the premium seats for years 11 - 15 of football operations.

3. Over the fifteen years, the City's General Fund need not make any out-of-pocket contributions and a reserve of approximately \$20 million is available to cover non-sellouts of the Coliseum

After all payments to cover the City and County's expenses, debt service payments, payments of all guarantees to the Raiders, the transaction is self-financing with no out of pocket payments required by the City and County.

At the end of fifteen years, a surplus of approximately \$20 million has been built which would be available to reimburse the City and County for unforeseen losses or expenses during the fifteen period.

This surplus is in addition to the City and County budgeting approximately \$10 million of additional renovation and modernization costs over the fifteen year period from revenues.

Scenario Two: "Most Conservative" Assumptions

Under this scenario, the revenues that may be achieved through the sale of premium seats were heavily discounted (approximately 30-40%). ERA has stated in writing that this level of discounted cash flows has a 95% or greater certainty of being achieved.

Under this scenario, the City and County must continue to make \$750,000 per year contributions each for ten years in order to avoid operating deficits during the fifteen year transaction. The injection of \$1.5 million per year by the City and County is already being budgeted by both entities for Coliseum debt service. Should the A's attendance at the

two million level be sustained (this year's attendance is projected at almost 2.7 million), these contributions might be reduced or eliminated in the future. Even if the Coliseum requires \$1.5 million per year for debt service, the return of the Raiders to Oakland is projected to generate additional direct City and County revenues from sales tax, business tax, property tax, and hotel tax revenues that offset this contribution. The \$1.5 million contribution, therefore, is offset by increased tax revenue and is not a drain on either agency's General Fund.

Given this level of contribution, this scenario results in the following:

1. Issuance of \$44.7 million of short term taxable bonds
2. Issuance of \$64 million of long term tax exempt bonds and \$18 million of long term taxable bonds

With respect to these bond issuances, the same repayment schedule is anticipated as that described in the first scenario. However, the reserves generated from the transaction over fifteen years after payment of all debt service and expenses is reduced from \$20 million to approximately \$10 million, including the additional \$10 million for potential renovation or modernization costs over the fifteen year period.

Transaction Structure

This report has discussed the transaction in economic terms for the City and County. The proposed structure of the transaction will be in the form of a loan made to the Raiders from some form of a Joint Powers Authority (JPA) created by the City and County for this purpose.

The loan structure is for the benefit of the Raiders and will not have any impact on the major deal points outlined in this report. The loan agreement states that all of the construction monies and cash guarantee payments to the Raiders (approximately \$119 million) will be repaid from concession and parking revenues and a JPA leaseback of improvements made to the Coliseum.

The loan structure has one major benefit to the City and County: should the Raiders ever desire to leave the Coliseum - even at the end of the lease term - there will most likely be unfavorable tax consequences for the franchise.

COLISEUM RENOVATION

The proposal includes a renovation plan for the Coliseum and a construction agreement between the City and County and the Raiders.

Renovation Plan

The renovation of the Coliseum was designed by Hellmuth, Obata & Kassabaum, Inc. (HOK) in conjunction with Kaiser Engineers, Inc. of Oakland.

HOK's design for football specifically took into account the needs of the primary tenant, the Oakland Athletics. The A's have reviewed the HOK design and after some modifications, have approved the preliminary design. The Athletics will be consulted throughout the design process and the construction period to ensure that A's needs are met and that the construction does not interfere with baseball operations.

The major elements of the renovation are the following:

- o additional seating, increasing the football capacity to approximately 65,000 seats with all seats having a full view of the field;
- o the addition of a Club Level to be located between the second and third decks (known as the +19 level of the stadium). This level will include lounge spaces, concessions, and toilets to complement the 2nd level seating area;
- o additional spectator facilities, toilets, and concessions to complement the new seating; and
- o the addition of 65 executive suites, including the installation of bathrooms in the existing suites. A total of 98 suites will be available.

Construction Cost

The estimate for the construction cost of the Coliseum renovation and Training Facility is approximately \$53.5 million. The estimate was performed by Kaiser Engineers.

Construction Management

The proposal under discussion with the Raiders includes provisions whereby the responsibility for the construction management lies with the Raiders, although the City and County must approve all elements of the construction,

including contracts, schedules, materials, and inspection. These control provisions will ensure that the renovation is performed in a quality manner and that the construction will not interfere with the Oakland Athletics baseball operation.

A construction agreement will be executed between the City, County, and Raiders simultaneously with the execution of the master agreement and the license agreement. The respective rights and obligations of the parties will be agreed upon prior to any financial commitments made by the City and County.

Environmental Impact Report and Building Permits

The City must certify an EIR prior to the construction project. The EIR process for Coliseum renovation has already begun, and a comprehensive EIR should be available for certification by March, 1990.

The EIR for the renovation is not complicated because no change in use is contemplated for the Coliseum, only an expansion of seating capacity. The primary issues focus on traffic and a parking mitigation plan.

Training Facility

The Raiders will be leased, at no cost, sufficient land to construct a modern football Training Facility. The site must be large enough to encompass three practice football fields, a complete football training center building and provide parking spaces for the players and support staff.

Under the agreement the City and County will make the Raiders a \$3.5 million loan advance to finance the cost of the improvements and obtain all necessary site approvals by May 1, 1991. In return the Raiders are responsible for constructing, maintaining and repairing the site. At the end of the term of the agreement all improvements revert to the City, County and Coliseum.

The Port of Oakland has been approached regarding the use of the Raiders former training facility site off Doolittle Road. That site will need to be expanded from 6 to 10 acres in order to meet the Raiders' requirements.

Initial discussions with the Port have been favorable regarding the use of the site. In addition, staff has asked the Port to contribute to financing the construction of the Training Facility. The Port's participation in the Raiders transaction is extremely important for the feasibility of the current proposal. The Port stands to benefit from the return of the Raiders, both in terms of enhanced image and from revenues generated by heavy airport and hotel use during the football season.

including contracts, orders, and requests. Their central program will involve the two main portions in a unitary manner and the construction will be integrated with the National Technical Organization.

A contract of agreement will be entered between the City, County, and State, respectively with the National Technical Organization and the National Agreement. The respective rights and obligations of the parties will be agreed upon prior to any technical commitments made by the City and County.

Environmental Impact Report and Finding Report

The City must comply on the basis of the construction project. The City must also comply with the National Agreement, and a comprehensive EIR should be available for the construction of the project.

The City must also comply with the National Agreement and the National Agreement. The primary focus must be on the construction of the project. The primary focus must be on the construction of the project.

Technical Facility

The National will be based on the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement.

Under the National Agreement, the City and County will have the right to participate in the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement.

The City of Oakland has been approached regarding the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement.

Under the National Agreement, the City and County will have the right to participate in the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement. The National will be based on the National Agreement.

HONORABLE CITY COUNCIL
20
SEPTEMBER 11, 1983

Hall of Fame

A Hall of Fame will be constructed at the cost of the Raiders, and they have agreed to discuss the participation of the other Coliseum franchises as well. The Hall of Fame will be located adjacent to the Coliseum Complex, on a site already controlled by the City and County.

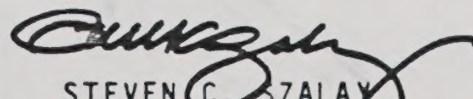
CONCLUSION

At your direction staff has analyzed and negotiated a proposal with the Raiders concerning their return to Oakland. Neither the substance nor the language of an agreement with the Raiders has been finalized. The transaction information contained in this report has been discussed in a positive manner with the Raiders, but until final agreement is reached, no commitments have been made. Of course, the City Council and the Board of Supervisors will make the final determination on all terms, and the Raiders have been so informed.

Staff submits this report for your information and requests that the Council and Board of Supervisors provide direction as to whether to continue discussions with the Raiders in accordance with the terms addressed in this report.

Respectfully submitted,


HENRY L. GARDNER
City Manager


STEVEN C. SZALAY
County Administrator

Attachment

Psych. benefit

Intangible
Emotional Conn.
Non-quant.
Brings Comm. together
By roots for teams

Remmi
Dario
W.C.
Santo
San Jose
San Mateo
San Ramon

FANBASE = 48,000

Refund forfeited
in 74 hrs. @ his discretion

not risk free - "
sell season 10 yrs.

if premium seats don't
sell below 80%

40 of 5 karta sell - 10 yrs
15% not sold for 15 yrs. get genl adm. → 66 million for 54 million
10% of genl adm. no sale - 18 million

sale of stadium

20 million of over-issue
to pay for
inf of talk

no of part
of full
value

